

REPORT TO
[ESSENTIAL ENERGY]

NOVEMBER 2015

ESSENTIAL ENERGY TSS STAKEHOLDER ENGAGEMENT

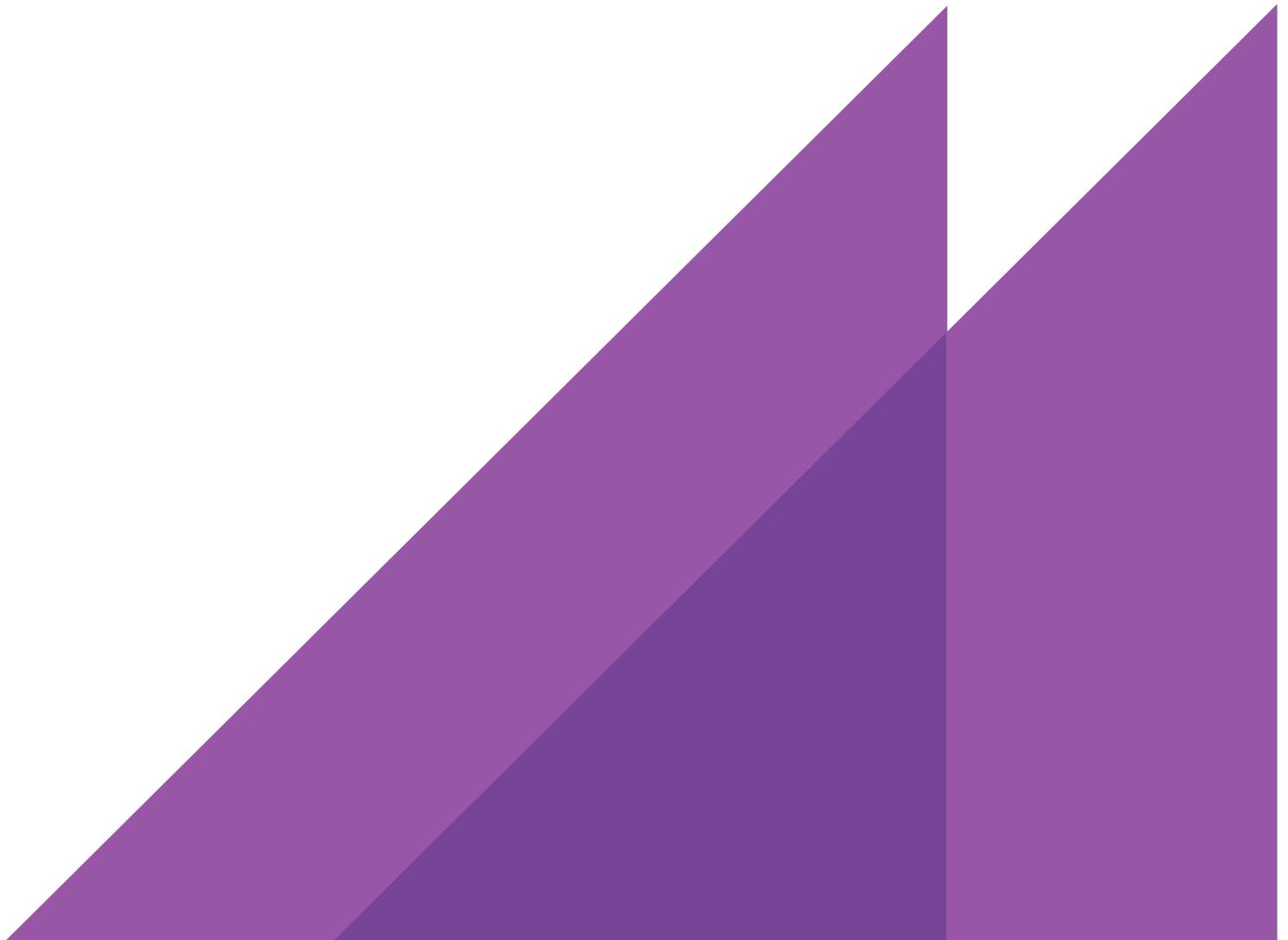


Table of Contents

Overview of Essential Energy’s TSS Stakeholder Engagement	3
Table 1. Phase One and Two: TSS Stakeholder Consultation and Engagement 2013 - 2015	3
Table 2. What Stakeholders told Essential Energy, and how we responded.	5
Table 3. Phase One and Two modes of TSS Stakeholder engagement, 2013 — 2015	12
Table 4. Phase Two: Initial Stakeholder engagement conducted by ACIL Allen Consulting around preferences on engaging the NSW network businesses on TSS issues, September, 2015.....	15
Table 5. Phase Two: Interviews (one on one) of up to one hour with TSS stakeholders post release of the NNSW TSS Issues Paper	15
Table. 6 Phase Two: ENA and Networks NSW stakeholder workshop on vulnerable customer issues and future tariff structures, Thursday, September 24, 2015.....	15
Table 7. Phase Two: Networks NSW Electricity Retailers Stakeholder Roundtable on future tariff structures, Monday, September 28, 2015	16
Table 8. Phase Two: Networks NSW Food and Fibre Stakeholder Roundtable on future tariff structures, Monday, September 28, 2015.	17
Table 9. Phase Two: Networks NSW Environment and Consumer advocates Roundtable on future tariff structures, Tuesday, September 29, 2015	17
Table 10. Phase Two: Networks NSW Environment and Consumer advocates second Roundtable on future tariff options, Friday, October 15, 2015	18
Table.11 Phase Two: Networks NSW Environmental and Consumer advocates third Roundtable on future tariff structures, October 30, 2015	18
Table 12. Phase Two: Other entities responding to Essential Energy invitations to consult (utilities and chambers of commerce).	19
Have your say public consultation portal – customer and general public TSS engagement.....	19
Interview Discussion Guide.....	20
One on one Stakeholder interview questions	21
Phase Two: ENA and Networks NSW stakeholder workshop on vulnerable customer issues and network businesses future tariff structures, Thursday, September 24, 2015.	32
Phase Two: Networks NSW Electricity Retailers Stakeholder Roundtable on future tariff structures, Monday, September 28, 2015.	36
Phase Two: Networks NSW Food and Fibre Stakeholder Roundtable on future tariff structures, Monday, September 28, 2015.....	40
Phase Two: Networks NSW Environmental and Consumer advocates Roundtable on future tariff structures, Tuesday, September 29, 2015.	44
Phase Two: Networks NSW TSS Scenario Roundtable, Thursday October 15, 2015, 9am – 12.30pm.....	48
Phase Two: Networks NSW TSS Scenario Roundtable, Thursday October 15, 2015, 9am – 12.30pm.....	52
Phase Two: Networks NSW Final Tariff Structure Proposals Stakeholder Roundtable on the data and technical underpinnings of tariff structure options, Friday October 30, 9.00am to 4.00pm	55

Other entities responding to Essential Energy invitations to consult — Utilities and Chambers of
Commerce..... 58

Table. 13 NSW Government have your say web portal..... 59

Table 14. Stakeholders invited to various Phase Two engagement modes who were unable to participate
..... 61

Overview of Essential Energy's TSS Stakeholder Engagement

This Attachment summarises the outputs of engagement with stakeholders from 2013 – 2015 to inform Essential Energy's TSS. It details also the modes of engagement that were employed to discuss the TSS issues with stakeholders, as well as summaries of the content of discussions, interviews and Roundtables.

The progress of the Phase One and Phase Two engagement is summarised in Table 1. We note Phase Three of the TSS stakeholder engagement will commence in 2016 as the Australian Energy Regulator considers the Essential Energy proposal, and discusses its content with Essential Energy, and with community stakeholders.

Table 1. Phase One and Two: TSS Stakeholder Consultation and Engagement 2013 - 2015

Date	Engagement channel	Engagement attendance and focus
PHASE ONE ENGAGEMENT		
March 2014	Networks NSW peak consumer group forum, March 2014	Networks NSW gauged the views of consumer advocacy groups on proposed tariff strategy and welcomed the attendance and contributions from significant stakeholders, NSW EWON, PIAC, and members of various customer consultative committees.
November – December 2013	Your Power Your Say Facebook campaign	Sought to engage directly with consumers on different types of tariffs with more than 95,000 Facebook users viewing this discussion.
May 2014	Networks NSW retailer forum	Attended by 19 retailers, addressed the challenges of tariff reform in NSW.
May 2014	Annual pricing proposals for each network business,	Detailed pricing proposals for the network businesses in NSW were submitted to the AER.
July 2014	AER's public forum	NNSW CEO Vince Graham detailed proposed tariff strategy and explained the reasons for this approach.
February 2015	Networks NSW stakeholder workshop on its revised regulatory proposals	Canvased issues about tariff design.
June 2015	Forum held by Networks NSW	Focused specifically on tariff strategy and consumer preferences for consultation.
PHASE TWO ENGAGEMENT		
September –October 2015	One-to-one discussions with Tier One Networks NSW stakeholders on their preferred modes for Phase Two engagement, and issues they wanted to discuss	Interviews conducted by ACIL Allen Consulting with Tier One TSS stakeholders.
September 20 2015 (half day)	TSS Issues Paper launched publicly	Issues Paper developed by Networks NSW and informed by Phase One stakeholder engagement, and initial Tier One stakeholder interviews conducted by ACIL Allen Consulting. Made available on network business websites, and via the Have Your Say online community consultation portal for comment, and as a platform to inform stakeholder discussions and engagement.
September 24, 2015 (half day)	Energy Networks Association Vulnerable Customers TSS Forum	Included presentations from Janine Young, Energy and Water Ombudsman (EWON), NSW; Networks NSW CEO Vince Graham; Ausgrid's Matthew McQuarrie; Endeavour Energy's Daniel Bubb; Essential Energy's Catherine Waddell, ENA's Lynne Gallagher; ACIL Allen Consulting's Wayne Burns.

		Included attendance by 28 stakeholder representatives, including retailers.
September 25, 2015	Draft TSS Issues paper from Networks NSW issued to peak stakeholder groups	Issues Paper developed by Networks NSW and informed by Phase One stakeholder engagement, and initial Tier One stakeholder interviews conducted by ACIL Allen Consulting.
September 28, 2015 (half day)	Retail Stakeholders TSS Roundtable	Attended by 15 electricity representatives (38 retail stakeholders were invited). The Roundtable included a presentation by the CEO of Networks NSW, Vince Graham, and by Adrian Kemp, Principal and HoustonKemp Economists, Networks NSW TSS regulatory advisors. This Roundtable focused in AEMC tariff rules and discussions about tariff options.
September 28, 2015 (half day)	Food and Fibre Stakeholder TSS Roundtable	Attended by two representatives of the food and fibre industry sector in Australia (four were invited). The Roundtable included presentations by Catherine Waddell from Essential Energy and Oliver Nunn from HoustonKemp. This Roundtable focused in AEMC tariff rules and discussions about tariff options for food and fibre producers, including the costs of electricity included in irrigation in NSW.
September 29, 2015 (half day)	Consumer and Environment Stakeholder TSS Roundtable	Attended by six stakeholder representatives (eight invited). This Roundtable discussed tariff options, consumer issues, environment stakeholders' preference for a demand tariff, as well as the AEMC rules, and the rationale for a declining block tariff. It included presentations by Mike Martinson from Networks NSW, and Oliver Nunn from HoustonKemp.
September, 2015	Customer Council and other peak stakeholder group discussions	Endeavour Energy held TSS discussions with its Customer Council in September 2015.
September, October and November	Have Your Say online consultation portal.	Open and announced publicly in late September 2015, the portal invited public comments and submissions based on the Networks NSW TSS Issues Paper. Twenty six submissions were received via the portal.
October, 2015	One-on-one interviews with stakeholders on their views and insights post the launch of the TSS Issues Paper	Eight qualitative one-on-one interviews conducted with Tier One stakeholders on their responses and input to the TSS Issues Paper (19 were invited).
October, 2015	Bilateral discussions on TSS issues	At the request of a small number of stakeholders, Network NSW conducted bilateral discussions on TSS issues.
October 2015	Other peak stakeholder engagement.	Ausgrid held discussion of TSS options with seven peak groups (separate from other engagement processes) and encouraged them to provide insights, responses and opinions as inputs to Phase Two TSS deliberations.
October 15, 2015 (half day)	Tariff Scenarios Stakeholder Roundtable	Attended by seven consumer, local government and environment stakeholders, as well as the Australian Energy Regulator, this Roundtable focused in scenario options, and customer understanding of tariff structures. It included presentations by Mike Martinson from Networks NSW and Adrian Kemp from HoustonKemp.

October 30, 2015 (full day)	Tariff Impacts (data and technical analysis TSS Stakeholder Roundtable)	Attended by six consumer, local government and environment stakeholders, as well as the Australian Energy Regulator and EWON, this Roundtable included presentations by Ausgrid, Endeavour Energy and Essential Energy on the analysis and approach to economic and regulatory input to the proposed TSS to be lodged by the network businesses in NSW.
2013, 2014 and 2015	Ausgrid, Endeavour Energy and Essential Energy websites and social media	Provided customer and public information about tariffs and the TSS stakeholder engagement process, including posting the Networks NSW Issues Paper and inviting comment and input via the Have Your Say website. Ausgrid used its Facebook page to promote the TSS Issues Paper and encourage public comment on it.
Source: Networks NSW, 2015		

Essential Energy's discussions and consultation with stakeholders since 2013 have informed our TSS proposal.

We have summarised the issues that customers, members of the community and representatives of peak interest and advocacy entities have raised with our business, and with NNSW.

What our stakeholders raised, and how we responded, is summarised in Table 2.

Table 2. What Stakeholders told Essential Energy, and how we responded.

What stakeholders raised	How we responded
Poor community understanding of electricity tariffs, charges, and who's who in the electricity supply chain	
Many customers are not engaged with the difference between electricity generators, transmission companies, distributors and retailers. They find the electricity supply chain complex.	<p>We have committed to work with consumer representative entities to develop options to work with all interested parties to strengthen consumer understanding of tariff options and structures.</p> <p>With the other network businesses in NSW, we will highlight in our TSS proposal that most stakeholders with which we have engaged support tariff charges being reported separately and clearly on customer electricity bills as one way to provide more transparency to customers about network charges.</p> <p>Essential Energy and the two other networks in NSW will continue to work with CALD representatives and organisations, and vulnerable customer groups and regulators to address information asymmetry among consumers about the components of their electricity bill.</p>
Most customers do not understand their electricity bills, including what tariff options are available to them	
Customers may be better able to manage their electricity costs if they had more information about tariff charges and tariff options on their electricity bills	
Agribusiness customers, especially irrigators, could reduce their electricity costs if they had more information as to when it is most economic to use electricity to pump water for primary production (though national water policy requires	

What stakeholders raised	How we responded
water allocations to be used when water is available, and this can be rarely anticipated). Many irrigators are unclear as to the time of peak and shoulder periods.	
Experience among some retailers suggests strongly that more information on electricity bills – including tariff charges – is confusing for most customers, and will not inform customer choices about tariffs; and fails to provide meaningful information for customers to make decisions that can reduce their electricity costs.	
More than half of culturally and linguistically diverse (CALD) household and SMEs don't understand their electricity bill, and one third of SMEs don't read bills. There are specific ways to address communication and understanding with CALD communities; these are not traditional. CALD customers comprise 25 per cent of the National Electricity Market and can't be ignored.	
Tariff options and design	
How are the NSW network businesses designing their proposed tariffs?	Any tariff proposed by network businesses in NSW (and nationally) must comply with the AEMC Rules, including considering the impact of customers during the transition to charges that reflect the cost of operating the electricity network.
<p>Are these types of tariffs being considered?</p> <p>social tariffs location/regional tariffs</p> <p>food and fibre tariffs (especially for irrigators) and initial processing (cotton, for instance)</p> <p>seasonal tariffs</p> <p>demand tariffs</p> <p>flat tariffs</p> <p>solar tariffs (a lower charge for residential solar energy generation to export electricity into the grid; or a higher charge for such generators to use the grid to export electricity)</p> <p>time of use tariffs.</p>	<p>Essential Energy, Ausgrid and Endeavour Energy will consider tariffs that meet the AEMC rules, and that are also grounded in an evidence base.</p> <p>To date, the network businesses in NSW have been approaching design of new proposed tariffs based on a two part structure:</p> <p>a fixed charge for efficient recovery of residual costs; and</p> <p>a variable charge to signal the long run marginal cost (LRMC).</p>
Long Run Marginal Cost and its role in determining tariffs	

What stakeholders raised	How we responded
NNSW has placed too much emphasis on LRM in its approach to tariff discussions and design.	<p>The LRM for the network businesses in NSW are at or close to zero.</p> <p>Marginal cost is a function of network circumstance and price elasticity of demand.</p> <p>The network businesses in NSW have employed an Average Incremental Cost approach to estimating Long Run Marginal Cost. The formula is $LRMC = \frac{PV(\text{expenditure relating to new network capacity})}{PV(\text{additional demand serviced})}$</p>
How are LRM estimated/ determined, as there is disagreement that they can be at zero for the NSW network businesses?	<p>When applying this approach, key assumptions include:</p> <p>Capital expenditure - Growth capital expenditure as per the AER's Final Decision</p> <p>Operational expenditure - incremental operational expenditure as a percentage of growth capex, and</p>
The Essential Energy's LRM is not zero – how does that gel with statements about zero LRM across NSW?	<p>Demand - average annual growth is forecast and this plus the fact we are a rural network with low customer density is the reason our LRM is higher than most other distributors.</p> <p>Essential Energy's DBTs are above LRM while other tariffs will need to transition towards that level</p>
Vulnerable customers and a proposed social tariff	
Are Essential Energy and the other network businesses considering a social tariff	<p>Some stakeholders have proposed NSW networks introducing a social tariff, however, a social tariff has been opposed by most stakeholders.</p> <p>An evidence base for a social tariff has yet to be developed by its advocates, however, it could be considered for the next tariff period if it was developed.</p>
A network business is not in a good position to determine who is eligible for a social tariff – retailers are better placed.	<p>The underlying issues associated with support for a social tariff go to electricity affordability for vulnerable customers.</p>
There are no guarantees a network business social tariff would be passed on by electricity retailers.	<p>Modelling on the impact of tariffs on specific customer groups is difficult because of the paucity of smart metering in NSW.</p> <p>Retailers may have more opportunity in the short-term to mid-term to model tariff impacts (including of their own tariffs) because of the customer data they hold.</p>
A social tariff would represent cost shifting, and distort electricity market efficiency.	
How are Essential Energy and other NSW network businesses considering the impact of vulnerable customers in tariff design?	<p>Essential Energy and the network businesses indicated that public policy settings (including their own vulnerable customer assistance arrangements) needed to be considered in addressing reflective transitional tariff costs for vulnerable customer.</p>
Proposals for a solar tariff	
Are Essential Energy and the other network businesses considering a solar tariff – a specific 'export' charge to customers who use the network to 'sell back power' generated by solar generation into the electricity grid?	<p>The network businesses are not considering a solar tariff in the next TSS period – that is, a special tariff to charge customers who generate electricity via solar generation to export electricity to the grid.</p> <p>Essential Energy and the network businesses suggested that more certainty around Australia's renewable energy target, and</p>

What stakeholders raised	How we responded
Customers who use the grid to export electricity to the network should pay a charge to use the network, and not be subsidised by other customers, especially vulnerable and low income customers.	developments in renewable energy generation and storage over the coming years, may prompt new public policy responses to energy efficiency and household energy generation.
Public policy settings, and not tariff structures, should be considered to address mitigating costs the networks should recover using the grid to export electricity back into it.	
Assessing the impact of tariff structure on customers	
What modelling has been done by the NSW network businesses on the potential customer impact of various tariff options?	<p>A key consideration for the network businesses in NSW in reducing tariff prices and to comply with new regulation, is to reduce 'bill shock' by providing customers with more predictability about the cost of their electricity bill.</p> <p>We engage regularly with our customer groups to better understand the impact of electricity network charges on vulnerable customers, and we also manage their own customer hardship arrangements and funds.</p> <p>NNSW cited 2015 CSIRO consumer behaviour research concluding electricity customers are "averse" to making tariff choices, and instead prefer simple and predictable choices, and predictable electricity bills.</p> <p>The network businesses in NSW are commissioning further research from the CSIRO on the impact of tariff options and charges on customers, including vulnerable customers.</p> <p>NNSW indicated a primary concern in the transition to cost reflective tariff network pricing was timely and predictable cost impacts on customers.</p>
Metering and smart meters in NSW	
The absence of smart meters in NSW should not be a barrier for the NSW network businesses to offer a demand tariff to customers.	<p>The NSW market has very low penetration of smart meters means it is not practical for the NSW network businesses to introduce a demand tariff for the next two year tariff period – though a demand tariff can be considered from 2019 – 2024 if penetration reaches critical mass.</p> <p>NNSW has indicated public policy is that smart meter roll-out in NSW will be market-led (not mandated), probably by electricity retailers.</p>
All the network businesses should consider a roll-out of smart meters to future proof their businesses, and offer customers more tariff choice.	<p>There are 4.6 million traditional accumulation meters in NSW, 890,000 interval meters (primarily in the Ausgrid and Essential Energy areas), and 30,000 smart meters (mainly used in trials).</p> <p>Unlike Victoria, the vast majority of customers in NSW have a basic accumulation meter.</p>

What stakeholders raised	How we responded
	<p>Basic metering limits ability to charge customers based on their utilisation of the network at peak or constrained times</p> <p>A Sizeable number of customers with interval meters are in Ausgrid's network, and a limited number in Essential and Endeavour networks to signal the cost of peak period use.</p> <p>The initial two-year TSS period provides opportunity to assess metering developments and customer views on alternative tariffs for subsequent TSS.</p>
Declining block tariffs	
<p>Among the effectively competitive element of a retail market, network declining block tariffs provide an incentive for energy retailers to favour consumers who use more energy, and offer less competitive retail products to those who use less energy.</p>	<p>Competition in the retail electricity market means there is considerable scope for competition on price and tariff options among retailers to meet or lead demand.</p> <p>Energy efficiency and the most economic use of electricity is an accountability for all businesses involved in the electricity supply chain, and is a matter of public policy interest also. Network businesses should play their role to encourage the efficient use of electricity.</p>
<p>Declining block tariffs are out of step with the objective to harmonise tariff structures and arrangements across the National Energy Market.</p>	<p>Declining block tariffs are now in place across the three network businesses in NSW (2015 – 2017).</p>
<p>Declining block tariffs do not achieve an AEMC objective that tariffs be 'future proof'.</p>	<p>Through our proposed Tariff Structures Statements, the network businesses are aiming to continue the transition to a more efficient tariff structure through declining block tariffs, and eventually to fully efficient tariffs within the existing metering constraints. In this light, a declining block tariff is appropriate for the two years from 2017 – 2019 as part of transitional arrangements.</p>
<p>Declining block tariffs will mean that many vulnerable customers, other residential households and SMEs will be paying higher fixed charges in their electricity bill.</p>	<p>A declining block tariff during the transition to cost-reflective tariff pricing will cushion most customers in NSW from 'bill shock', which is especially important for very large numbers of households that prefer electricity bill consistency (no 'bill shock') for their budget planning.</p>
<p>Declining block tariffs by design reward consumers who place high demand on networks and penalise consumers who are more energy efficient.</p>	<p>Tariff costs that can be charged by the network businesses in NSW have been reduced already by the energy regulator. Electricity retailers retain the decision as to whether these reductions are passed on to customers.</p>

What stakeholders raised	How we responded
	<p>Time-of-use (TOU) tariffs are likely to be more efficient, so where interval metering is available, customers can be transitioned to a TOU tariff.</p> <p>Energy charges in NSW are still well below LRMC estimates, so a transition to lower energy charges and higher fixed charges is also required for these tariffs, while still maintaining relatively higher peak energy charges.</p> <p>Where appropriate, tariff reforms similar to those proposed for residential customers will be proposed for small business customers.</p> <p>Most large commercial and industrial customers across NSW are already subject to cost reflective tariffs via advanced metering.</p> <p>We recognise the objective of more harmony in approaches to tariffs across the National Energy Market. We take a mid-term to long-term view of the steps required for the NSW network businesses to make the transition to cost-reflective tariffs.</p>
Demand tariffs	
<p>Network businesses in Victoria in particular are moving towards more demand-based tariffs. There is nothing stopping network businesses in NSW offering a demand tariff.</p>	<p>Demand tariffs in NSW are not uncommon for large businesses in NSW.</p> <p>We have forecast flat growth in demand for electricity during peak times across NSW, which dilutes the rationale for offering a demand tariff in a market in which demand is falling.</p>
<p>The network businesses in NSW should offer an opt-in demand tariff as a way of beginning a shift to demand-reflective pricing.</p>	<p>Low penetration of smart meters in NSW means being able to offer a residential demand tariff in 2017 – 2019 is not feasible (including for billing and marketing cost reasons).</p> <p>Electricity retailers may have a competitive interest to offer opt-in demand tariffs before 2019.</p>
<p>If NNSW businesses do not introduce a demand tariff for 2017 – 2019, they should do so for the tariff structures period after that.</p>	<p>The network businesses will consider a demand tariff for 2019 – 2024, and will engage with stakeholders about the business and regulatory case for such a tariff. The penetration of smart meters could make this option attractive for future tariff statements</p>
Food and Fibre tariff	
<p>There is rationale for a food and fibre tariff to be offered in NSW, especially given circumstances where many irrigators are</p>	<p>Essential Energy is willing to work with irrigator and food and fibre industry groups to inform and consider the evidence base for a food</p>

What stakeholders raised	How we responded
facing extreme financial difficulty meeting electricity costs associated with water allocation pumping under new national water policy arrangements.	and fibre tariff that could be considered for the post-2019 tariff period (within the AEMC rules for tariff prices to reflect network costs).
The electricity costs of many irrigators are extremely large because of seasonal and weather conditions that growers can't control, and that do not align with tariff timings. Some primary producers have seen their electricity bills rise by up to 300 per cent over recent years. Food and fibre stakeholders supported a tariff that factored in their needs.	Essential Energy indicated it would work with food and fibre industry groups to develop information to disseminate to primary producers on peak and shoulder tariff periods, to better inform decisions about electricity use and what tariffs are available.
Many food and fibre producers do not have a good understanding of the timing of tariff peak and shoulder periods: they feel they cannot modify their electricity use because of the unpredictability of water releases and availability.	
A food and fibre tariff would mean that other electricity network customers would need to subsidise a specific industry sector, which is not equitable. Public policy solutions, not electricity network cost shifting, should address industry adjustment issues	
Regional or location tariffs	
Regional tariffs should be considered given the circumstances of specific regions of NSW around primary production seasons and cycles, as well as increased electricity use in summer or winter (e.g. high electricity use in western NSW during summer because of very high temperatures; and high consumption in the Blue Mountains and Snowy Mountains areas during winter months).	Our stakeholder engagement has suggested there is little support for regional or location-based tariffs in NSW.
	There is no support among stakeholders for customers in regional and country NSW paying a tariff that is higher specifically because they live outside a city.
	In the absence of an evidence-base to inform and support regional or location tariffs, NSW network businesses have no plans to introduce them.
Time of use tariff	
A time of use tariff would be an attractive tariff for food and fibre producers and electricity retailers, because it would reflect how network infrastructure is used.	This tariff option is not supported by most stakeholders engaged for the TSS.
	There is an option for time of use charging in our business, and in the other network businesses where customers have interval meters.
	Some stakeholders have indicated that introducing time of use tariffs in Victoria resulted in 'bill shock', because many customers were unclear about peak, off-peak and shoulder tariff periods.

What stakeholders raised	How we responded
	Our business, Ausgrid and Endeavour Energy offer residential customers a declining block tariff as the primary network tariff, with a choice to “opt in” to a voluntary time of use tariff. There has been a low take up, and interest in, time of use tariffs by customers
Source: NNSW, 2015	

How we engaged

We have engaged stakeholders during Phase One and Phase Two of our 2017 – 2019 consultations via a spectrum of channels and activities. This commenced in 2013. The modes of engagement, and which stakeholders were engaged, are summarised in the following pages.

Table 3. Phase One and Two modes of TSS Stakeholder engagement, 2013 — 2015

Engagement mode/channel	Stakeholders engaged	Specific activities
Company website	Residential customers Business, including SMEs Business and industry groups, including agribusiness Electricity retailers Consumer advocates Environment advocates Vulnerable customer advocates Local Governments Government agencies Members of Parliament	Information about tariffs posted online. TSS Issues Paper posted online for community consultation. Link to Have Your Say online consultation portal. Link to Media Release announcing TSS consultation and opportunities for public comment and submissions.
Bilateral meetings/one-on-one interviews	Consumer advocates Environment advocates Government agencies/ombudsman Vulnerable customer and social service advocates and representatives	Briefings with NNSW regulatory, pricing and corporate public affairs executives One-on-one interviews to ascertain stakeholder preferences for Phase Two engagement One-on-one interviews post public release of the NNSW TSS Issues Paper to capture insights, preferences and opinions.
TSS Issues Paper	Residential customers Business, including SMEs	Submissions on the Issues Paper (extended from October 30, 2015 to November 4, 2015) from PIAC, Alternative Energy Association,

Engagement mode/channel	Stakeholders engaged	Specific activities
	Business and industry groups, including agribusiness Electricity retailers Consumer advocates Environment advocates Vulnerable customer advocates Local Governments Government agencies Members of Parliament	EWON via the Have Your Say consultation portal. Comments and submissions from some LGAs via the Have Your Say online consultation portal.
Stakeholder workshops	Business and industry groups, including agribusiness Electricity retailers Consumer advocates Environment advocates Vulnerable customer advocates Local Governments Government agencies	Workshops in 2013 and 2014 for NNSW to present its 2015 – 2017 move to a declining block tariff structure in NSW, and to discuss tariff options.
Media campaign to promote community comment and input to TSS deliberations	Residential customers Business, including SMEs Business and industry groups, including agribusiness Electricity retailers Consumer advocates Environment advocates Vulnerable customer advocates Local Governments Government agencies Members of Parliament	NNSW Media Release on September 30, 2015, distributed to news media across NSW, and posted on Essential Energy, Ausgrid and Endeavour Energy websites announcing release of the NNSW TSS Issues Paper, and encouraging public comment and submissions via the Have Your Say consultation portal.

Engagement mode/channel	Stakeholders engaged	Specific activities
Stakeholder Roundtables and Forum	Business and industry groups Electricity retailers Consumer advocates Environment advocates Vulnerable customer advocates Government agencies	Vulnerable Customers Forum on TSS options hosted by Energy Networks Australia, September 2015. Electricity Retailers Stakeholder Roundtable, September 2015 Consumer and Environment Advocates Stakeholder Roundtable, September 2015 Food and Fibre Stakeholder Roundtable, September 2015 Tariff Options Roundtable for Stakeholder Advocates , October 2015 Tariff Options Economic and Regulatory Data Roundtable for Stakeholder Advocates (including EWON), October 2015.
Response to written enquiries	Consumer advocates Environment advocates	A small number of consumer and environment stakeholders submitted specific questions about tariff structures to NNSW. These questions were answered in writing, and addressed also in some bilateral discussions.
Have Your Say online consultation portal	Residential customers Business, including SMEs Business and industry groups, including agribusiness Electricity retailers Consumer advocates Environment advocates Vulnerable customer advocates Local Governments Government agencies Members of Parliament	Open and announced publicly in late September 2015 Announced via NNSW media release distributed across NSW, and posted on the websites of the three network businesses. As of November 5, 2015, public comments and submissions were received via the portal, including from residents of NSW, local government areas, and advocacy and interest groups.
Source: Networks NSW, 2015		

Table 4. Phase Two: Initial Stakeholder engagement conducted by ACIL Allen Consulting around preferences on engaging the NSW network businesses on TSS issues, September, 2015

Stakeholder	Organisation	Participation
Elena Katrakis	Carers	Participated
Sarah Davidson	COTA NSW	Participated
Emma Keen	EWON	Participated
Mike Bailey	NCOSS	Participated
George Powell	NSW Business Chamber	Participated
Oliver Derum	PIAC	Participated
Mark Byrne	Total Environment Centre	Participated
Randall Brown	Energy Australia	Participated
Patrick Whish-Wilson	AGL	Participated
Constantine Noutso	Lumo	Participated
Source: ACIL Allen Consulting, 2015		

Table 5. Phase Two: Interviews (one on one) of up to one hour with TSS stakeholders post release of the NNSW TSS Issues Paper

Contact	Organisation	Participation
Randall Brown	Energy Australia	Participated
Martin Jones (Replacing Mercedes Lentz)	Consumer Utilities Advocacy Centre	Participated
David Calder	Origin Energy	Participated
Mandy Gilmour	Cotton Growers Association	Participated
Patrick Whish-Wilson	AGL	Participated
Gavin Dufty	St Vincent de Paul	Participated
Chris Dodds	EWON	Participated
Stefanie Shulte	NSW Irrigators Council	Participated

Note: These interviews were arranged and conducted by Ogilvy Public Relations Australia, part of the ACIL Allen Consulting consortia contracted by the NSW network businesses via NNSW to assist with TSS stakeholder engagement. Source: ACIL Allen Consulting, 2015

Table 6 Phase Two: ENA and Networks NSW stakeholder workshop on vulnerable customer issues and future tariff structures, Thursday, September 24, 2015.

Stakeholder	Organisation	Title
Annie Kiefer	Country Women's Association	State Honorary Secretary
Morris Mansour	Ethnic Communities Council	Member's Forum
Iain Maitland	Ethnic Communities Council of NSW	Energy Advocate
Jane Leung	EWON	Policy Officer
Janine Young	EWON	Energy and Water Ombudsman
Armanda Scorrano	NCOSS	Policy and Research Officer
Serena Ovens	Physical Disability Council of NSW	Executive Officer
Oliver Derum	PIAC	Senior Policy Officer, Energy & Water Consumers Advocacy Program
Jess Mutton	PIAC	EWCAP Policy Officer
Mark Byrne	Total Environment Centre	Energy Market Advocate
Craig Memery	Alternative Technology Association	Energy Policy Advocate
Rosemary Sinclair	Energy Consumers Australia	Chief Executive Officer
Mercedes Lentz	Consumer Utilities Advocacy Centre	Executive Officer
Randall Brown	Energy Australia	Regulatory Manager

Stakeholder	Organisation	Title
Ben Barnes	Lumo Energy	Regulatory Manager
Alex McPherson	Jemena	Manager Asset Regulation & Strategy
Kee Li	Jemena	Customer Engagement and Partnerships Advisor
Katharine Hole	NSW Department of Industry	Executive Director, Strategy Policy and Coordination
Shelley Ashe	NSW Department of Industry	Senior Policy Officer
Lauren Solomon	AGL	Manager Retail and Social Policy
Shaun Ruddy	Alinta Energy	Manager Nation Retail Regulation
Keith Robertson	Origin Energy	Manager Regulatory Policy
Lynne Gallagher	ENA	Policy Manager
Wayne Burns	ACIL Allen Consulting	Executive Director (facilitator contracted by NNSW)
Adrian Kemp	HoustonKemp Economics	Senior Economist, HoustonKemp (retained by NNSW)
Helen Scott	Ethnic Communities Council of NSW	Energy Advocate
Chris Dodd	EWON	Policy Advisor, Energy and Water Ombudsman
George Powell	NSW Business Chamber	Policy Advisor
Katie Hannouch	Transgrid	Manager, Stakeholder Engagement
Representative	Choice	Representative in place of CEO
Representative	Lumo Energy	Additional attendee with Ben Barnes
SOURCE: ACIL Allen Consulting, 2015		

Table 7. Phase Two: Networks NSW Electricity Retailers Stakeholder Roundtable on future tariff structures, Monday, September 28, 2015

Stakeholder	Organisation	Participated/Not Participated
Randall Brown	Energy Australia	Participated
Patrick Whish-Wilson	AGL	Participated
Constantine Noutso	Lumo Energy	Participated
Stuart Auld	COzero Energy Retail	Participated
Andrew Mair	Dodo Power & Gas	Participated
Hillary Priest	Pooled Energy	Participated
Scott Begg + two add. delegates	Powershop	Participated
James Gerraty	Powershop	Participated
Danielle Holley	Powershop	Participated
James Barton	Simply Energy	Participated
Shaun Ruddy	Alinta Energy	Participated
David Calder	Origin Energy	Participated
Other participants		
Vince Graham	CEO, Networks NSW	
Catherine Waddell	Essential Energy	
Kate McCue	Networks NSW	

Stakeholder	Organisation	Participated/Not Participated
Daniel Bubb	Endeavour Energy	
Jon Hosking	Endeavour Energy	
Matthew McQuarrie	Ausgrid	
Iftexhar Omar	Ausgrid	
Adrian Kemp	HoustonKemp Economists	
Wayne Burns	ACIL Allen Consulting	
Daniel Arias	ACIL Allen Consulting	
Nino Tesoriero	Ogilvy PR Australia	
Source: ACIL Allen Consulting, 2015		

Table 8. Phase Two: Networks NSW Food and Fibre Stakeholder Roundtable on future tariff structures, Monday, September 28, 2015.

Stakeholder	Organisation	Participated/Not Participated
Felicity Muller	Cotton Australia	Participated
Stefanie Schulte	NSW Irrigators' Council	Participated
Other participants		
Catherine Waddell	Essential Energy	
Oliver Nunn	HoustonKemp Economists	
Cory Urquhart	Essential Energy	
Brian Green	Essential Energy	
Wayne Burns	ACIL Allen Consulting	
Daniel Arias	ACIL Allen Consulting	
Nino Tesoriero	Ogilvy PR Australia	
Source: ACIL Allen Consulting, 2015		

Table 9. Phase Two: Networks NSW Environment and Consumer advocates Roundtable on future tariff structures, Tuesday, September 29, 2015

Stakeholder	Organisation	Participated/Not Participated
Mark Byrne	Total Environment Centre	Participated
Craig Memery	Alternative Technology Association	Participated
Claire O'Rourke	Solar Citizens	Participated
Dan Scaysbrook	Solar Citizens	Participated
Iain Maitland	Ethnic Communities' Council of NSW	Participated
Oliver Derum	Public Interest Advocacy Centre	Participated
Other Participants		
Jon Hocking	Endeavour Energy	
Dan Bubb	Endeavour Energy	
Mike Martinson	Networks NSW	
Kate McCue	Networks NSW	
Catherine Waddell	Essential Energy	
Cory Urquhart	Essential Energy	
Matt McQuarrie	Ausgrid	
Chris Amos	Ausgrid	
Oliver Nunn	HoustonKemp Economists	
Wayne Burns	ACIL Allen Consulting	

Daniel Arias	ACIL Allen Consulting	
Ksenya Belousova	Ogilvy PR Australia	
Source: acil allen consulting, 2015		

Table 10. Phase Two: Networks NSW Environment and Consumer advocates second Roundtable on future tariff options, Friday, October 15, 2015

Stakeholder	Organisation	Participated/Not Participated
Chris Barrett - City of Sydney Council	City of Sydney Council	Participated
Oliver Derum	Public Interest Advocacy Centre	Participated
Chris Dodds	Office of the Energy and Water Ombudsman	Participated
David Havyatt	Energy Consumers Australia	Participated
Iain Maitland	Ethnic Communities' Council of NSW	Participated
Craig Memery	Alternative Technology Association	Participated
Bruno Coelho	Australian Energy Regulator	Participated
Other Participants		
Robert Telford	Ausgrid	
Chris Amos	Ausgrid	
Daniel Bubb	Endeavour Energy	
John Hocking	Endeavour Energy	
Mike Martinson	Networks NSW	
Kate McCue	Networks NSW	
Oliver Nunn	HoustonKemp Economists	
Wayne Burns	ACIL Allen Consulting	
Source: ACIL Allen Consulting, 2015		

Table.11 Phase Two: Networks NSW Environmental and Consumer advocates third Roundtable on future tariff structures, October 30, 2015

Stakeholder	Organisation	Participated/Not Participated
Chris Barrett	City of Sydney Council	Participated
Oliver Derum	Public Interest Advocacy Centre	Participated
Chris Dodds	Office of the Energy and Water Ombudsman	Participated
David Havyatt	Energy Consumers Australia	Participated
Iain Maitland	Ethnic Communities' Council of NSW	Participated
Craig Memery	Alternative Technology Association	Participated
Shannon Moffitt	Australian Energy Regulator	Participated
Other participants		
Oliver Nunn	HoustonKemp Economists	
Robert Telford	Ausgrid	
Daniel Bubb	Endeavour Energy	
Jon Hocking	Endeavour Energy	
Catherine Waddell	Essential Energy	
Mike Martinson	Networks NSW	
Kate McCue – Networks NSW	Networks NSW	
Wayne Burns	ACIL Allen Consulting	
Source: ACIL Allen Consulting, 2015		

Table 12. Phase Two: Other entities responding to Essential Energy invitations to consult (utilities and chambers of commerce).

Engaged member	Organisation	Response/feedback as of Nov 4, 2015
Richard Lutze	Alstonville Chamber of Commerce	Responded on 1 October with query regarding rooftop solar panels.
Ann Luke	Gunnedah Chamber of Commerce	Responded on 2 October and is happy to have been engaged and will liaise with committee to collate responses.
Graeme Watkins	Midcoast Water	Provided detailed response on 28 September, 2015 outlining concerns and interests of Midcoast Water.
Source: ACIL Allen Consulting, 2015		

Have your say public consultation portal – customer and general public TSS engagement

The screenshot shows the 'Have your say' public consultation portal. At the top, there is a search bar with the text 'Search by postcode or suburb' and a dropdown menu set to 'All Topics', followed by a red 'Search' button. Below this is a blue header with the 'Have your say' logo and the NSW Government logo. The main content area is titled 'Regulation' and features a sub-section 'Network electricity charges' with an email icon. The text under this section reads: 'Seeking customer input on changes to network tariffs in NSW'. Below this is a 'What's this about?' section with a photo of three people at a table and text explaining that Ausgrid, Endeavour Energy and Essential Energy are asking people across the state their views about what type of electricity tariffs they will charge between 2017 – 2019. To the right of the main content is a 'Date & Time' section with details for 'Email' (Date: Sep. 28 - Oct. 30, 2015, Time: 9:00am – 9:00am) and 'Formal Submission' (Date: Sep. 28 - Oct. 30, 2015, Time: 9:00am – 9:00am). Below this is a 'Documents' section with a link to 'NETWORKS NSW Issues Paper'.

Source: Ausgrid, 2015; captured from the have your say public consultation portal, October 30, 2015

Interview Discussion Guide

DISCUSSION GUIDE AND QUESTIONS FOR INTERVIEWS WITH NSW TSS STAKEHOLDERS ON THE TSS ISSUES PAPER. INTERVIEWS CONDUCTED BY OGILVY PUBLIC RELATIONS, CONTRACTED AS PART OF THE ACIL ALLEN CONSULTING TEAM TO ASSIST ESSENTIAL ENERGY AND NSW WITH TSS STAKEHOLDER ENGAGEMENT, OCTOBER 2015.

Note: stakeholder interviews were conducted under the Chatham House Rule to encourage candour.

Networks NSW one-on-one interviews with stakeholders based on the TSS Issues Paper – discussion guide

Thanks for making the time to meet with me to talk about network tariff reform in NSW. I'm here on behalf of Ausgrid, Endeavour Energy and Essential Energy – the organisations that distribute electricity to homes and organisations across NSW.

We are seeking views from NGOs, businesses, representative organisations and public and statutory entities on proposed network tariff changes for 2017-2019. Network tariffs make up about 40 per cent of the cost of electricity bills.

The NSW electricity network ensures that electricity is distributed safely, reliably and sustainably to homes and organisations across the State. Tariffs must be charged to cover the costs of the network, including infrastructure, staff, and maintenance of poles and wires.

Electricity consumption in NSW is declining, so there needs to be a change to network tariffs to ensure enough revenue for a continued safe, reliable and sustainable electricity network for the future. In doing so, there is also a desire to keep downward pressure on prices.

Our discussion with you will be conducted under the Chatham House Rule: that means that we will not attribute any comment you make to you, but we may use the content of what you say in a general report to NNSW. So, your name or your organisation will not be quoted unless you want to be quoted.

There is also a broader online consultation happening and we are welcoming people's views there too. You also welcome to make a submission via www.haveyoursay.com.au by the end of October. All the responses we gather will inform our network tariff submission due in late November.

The stakeholder consultation is exploring three areas:

Consumer understanding of electricity tariffs,

Opinions regarding various tariff options,

Views regarding roll-out process and exceptions.

We've got an hour so let's get started.

One on one Stakeholder interview questions

	Questions	Probing Qs	Desired Outcome	Time
	INTRODUCTORY QUESTIONS			
A	How well do you think consumers understand network tariffs and how they apply to them?	Why did you choose that number?	Capture a quantitative assessment and commentary	5
	Rank on a scale from 1 to 5,			
	1 being zero understanding, 5 being absolute.			
B	How available do you think the information that consumers can use to help them understand the different kinds of network tariffs and how they relate to their electricity bill?	Why did you choose that number?	Capture a quantitative assessment and commentary	5
	Rank on a scale from 1 to 5.			
	1 being not at all, 5 being easily accessible and understood.			
C	How available are the resources that help consumers assess what kinds of tariffs are most suited to their household/small business?	Why did you choose that number?	Capture a quantitative assessment and commentary	5
	Rank on a scale from 1 to 5.			
	1 being not at all, 5 being easily accessible and understood.			
	SOCIAL TARIFFS			
	Description - Social tariffs are designed to help vulnerable customers with limited budgets afford electricity services.			
F	Would social tariffs be an effective tool to allow vulnerable customers to have affordable access to electricity?	Y/N – Why?	Qualitative response	5
E	Who should be eligible for a social tariff?		Qualitative response	5
E	How should eligibility be assessed?	E.g.: government support program precedents?	Qualitative response	5
G	Who do you believe is the best placed entity to offer a social tariff?		Qualitative response	5

	Questions	Probing Qs	Desired Outcome	Time
E	How should social tariffs be structured?		Qualitative response	5
H	Should all electricity customers in NSW pay a small amount to provide assistance to vulnerable customers?		Qualitative response	5
	CONSUMERS WHO GENERATE ELECTRICITY			
	Description - some customers have the ability to use electricity from the network and also have the ability to feed surplus power back into the grid. While they are generating some of their own power, they still need the network to feed their excess power back into the grid, and to boost supply when their own is low.			
I	Should we consider a tariff and/or charge to cover network costs for these customers?	E.g.: Solar, Tesla	Qualitative response	10
I	If so, then should such a charge be technology neutral (not favour a particular technology such as wind or solar)?	E.g. Any customer using the network to feed back in any electricity generated from any type of renewable energy generator.	Qualitative response	5
	DECLINING BLOCK TARIFF			
	Description – The first part of electricity use is more expensive than all usage after it. This is now the most common tariff for households in NSW			
	This tariff has been implemented to provide customers with predictable, stable pricing, and to avoid bill shock.			
J	How supportive are you of declining block tariffs?	Why did you choose that number?	Capture a quantitative assessment	5
	Rank on a scale from 1 to 5,			
	1 being not at all, 5 being very supportive.			

	Questions	Probing Qs	Desired Outcome	Time
J	Would your level of support change if smart meters (that track how much electricity you use each day and when) were more commonplace in NSW?	Y/N – Why?	Qualitative response	5
K	Do you agree with the view that declining block tariffs are more effective in preventing “bill shock” compared to other alternatives?	Y/N – Why?	Qualitative response	5
K	Do you agree with the view that declining block tariffs provide flexibility to reduce bills compared to other alternatives?	Y/N – Why?	Qualitative response	5
	DEMAND TARIFF			
	Definition – A charge based on the maximum amount of electricity used during a period of time. Usually applies to large businesses and covers costs for networks to meet business peak use			
	Demand tariffs allow actual demand to be reflected in the price the business pays for their use of our network capacity.			
	The highest demand electricity meter reading for a particular time (usually monthly) is used to calculate the electricity bill.			
Q	Should customers be charged for service based on their usage at peak times?		Qualitative response	5
Q	How could a demand charge be structured?	E.g. For electricity consumed every week, or every month, or even based on the electricity used over a particular weekend.		5
R	Who should pay for the costs of metering if an interval or smart meter is required?	E.g.: Network operator, consumer, Govt?	Qualitative response	5
S	With electricity loads flattening in NSW, will a	Y/N – Why?	Qualitative response	5

	Questions	Probing Qs	Desired Outcome	Time
	demand tariff likely lead to lower future network costs?			
T	If there is interest in a demand tariff, over what period of time should the businesses transition to this tariff structure?	1yr, 2 yr, more?	Capture a quantitative assessment	5
	TIME OF USE TARIFF			
	Definition – The rate for electricity use changes at different times of the day. It is usually cheaper in off peak periods and more expensive in peak times.			
	Ausgrid, Endeavour Energy and Essential Energy offer residential customers a declining block tariff as the primary network tariff, with a choice to “opt in” to a voluntary time of use tariff. There has been a low take up.			
U	What do customers think of time of use tariffs?	Happy, misinformed, ambivalent?	Qualitative response	5
V	Why do you think the take up of this tariff in NSW is so low?		Qualitative response	10
W	Are there other voluntary tariffs of interest to customers?		Qualitative response	5
	FOOD AND FIBRE TARIFF			
	Definition – a proposed special tariff for agricultural businesses that typically only place demand on the electricity network for short periods during the year.			
X	What do you think of a specific tariff for these customers?		Qualitative response	10
Y	Should such a tariff be set at an efficient level?	Y/N – Why?	Qualitative response	5
	REGIONAL PRICING			
	Definition - Different geographic areas, climatic regions, transmission connection points or areas of network congestion in NSW, could attract what are known as location tariffs for residential customers to address local issues.			

	Questions	Probing Qs	Desired Outcome	Time
N	Would location-based tariffs in the same distribution network areas be acceptable?	Y/N – Why?	Qualitative response	5
O	If so, in what situations would they be applied?	E.g. A tariff for farmers who use most electricity in the summer when irrigating their crops.	Qualitative response	5
P	Would customers be prepared to pay for the higher administration cost of this structure?	Y/N – Why?	Qualitative response	5
	ANCILLARY			
Z	What are ancillary tariffs?			5
	What are the main issues you think need to be considered about Ancillary Network Service charges, metering charges and street lighting pricing structures?			
	INTRODUCTION TIMEFRAME			
L	If moving to more efficient tariffs over time results in “winners and losers” (some customers pay more, some pay less), over what period should any transition occur?	1yr, 2 yr, more? Why?	Qual/Quant response	5
M	One suggestion is that a CPI cap be placed on tariff charges any to lessen any price shock to customers. Do you think customers would support this idea?	Y/N – Why? Qualitative response		5
	OTHER			
D	Is there anything that we should we take into account that has not been discussed?			

1. Key findings – summary

Consumer understanding of tariffs.

- Understanding is very low, and confusing to most consumers — however this is not due to lack of information from networks.

Declining block tariff

- Environmental: this tariff provides incentives to consumers to use more electricity, sends a contradictory signal to previous messages about reducing consumption, and is unfair to those who had been encouraged to invest in alternative energy / energy-saving devices
- Disadvantage low-income households, who consume lower amounts of electricity, and to crop producers, who need to use more energy at some times of the year
- However some stakeholders are supportive of this tariff as a short-term measure in a move towards a different structure – and would have increased support for this tariff if smart meters were more widespread in NSW

Demand tariff

- Some stakeholders expressly support this tariff – particularly if opt-in – as it provides greater choice to consumers about when to use electricity.
- Some vulnerable social group advocates felt that this tariff was not family-friendly, as household heads cannot dictate who uses electricity at what time.
- Support for this tariff would also be greater if smart meters were more widespread in NSW.

Time of use tariff

- Some stakeholders feel this tariff is fair, reflective of network infrastructure, and a useful tool to change behaviour.
- Others feel this tariff can make low income users afraid to use essential services at peak times, and that it is unfair on crop producers who have little choice in when to use electricity.
- Critics feel this tariff is difficult for consumers to navigate – and point to issues with its introduction in Victoria.

Concessionary tariffs

- Most stakeholders are not in favour of social or other concessionary tariffs, for a number of reasons – mainly that decisions on assisting vulnerable groups are the responsibility and expertise of government.
- Consumer electricity generation
- Some stakeholders feel that network usage costs should be covered by consumer generators.
- Environmental advocates are against this suggestion, due to the potential environmental impacts and contradiction to environmental messaging.
- Introduction timeframe
- Most stakeholders feel new tariffs could be introduced over three to five years.

Other issues

- Ancillary charges are poorly understood.
- Stakeholders have opposing views on the suitability of CPI caps on tariff reforms.
- Many stakeholders emphasised the importance of consistency, long-term thinking and education around tariff reforms.
- Many stakeholders would have preferred a longer period for engagement.
- Stakeholders acknowledge the difficulty of making tariff decisions that suits all consumers.

2. Key findings – themes**Consumer understanding of tariffs**

A number of stakeholders commented that the community's understanding of network electricity tariffs was low – (including representatives from retailers, environment, consumer, and vulnerable groups)

Environment and consumer advocates perceived that culturally and linguistically diverse (CALD) groups have particular difficulty understanding their bills; and that one third of SMEs do not read their bills.

"I suppose most customers wouldn't even understand there is an underlying network tariff, let alone how they relate."

A related point made by some retailers was that consumers find tariffs to be confusing; meaning they are unable to make informed decisions that can reduce their electricity costs.

"I'd imagine a lot of consumers are still struggling with the difference between a retailer and a distributor, let alone understanding that a distributor has a network tariff and a retailer can choose to reflect that or not in their retail tariff."

Stakeholders perceived that the complexity of network and retail tariffs – rather than a lack of information about them – contributes to consumer confusion (many noted tariff information provided by networks was generally considered to be good).

Stakeholders interviewed concluded that customers are unaware of the complexity of the electricity distribution system, and the elements that contribute to network charges – or that the complexity of the system produces “white noise”, or a low will to want to understand the system.

"When you get to the general public they glaze over fairly quickly, and as soon as you talk about those particular issues, network tariffs, all they want to know is how much are they going to pay from a retail perspective, how they pay it, how often they are going to pay it... most of them don't know even know the network exists, except when they have an outage."

Declining block tariff

Most stakeholders interviewed indicated they did not support a declining block tariff for NSW customers.

Environmental issues

Some stakeholders flagged that declining block tariffs provide incentives to consumers to use more electricity, which would have an adverse impact on the environment.

Environmental and vulnerable customer representatives felt that a move to declining block tariffs would send a contradictory signal to previous messages about reducing consumption.

Some stakeholders felt maintenance of a declining block tariff could be “unfair” to customers encouraged to invest in energy-saving and alternative energy generation devices.

"(DBTs are) reward increased consumption. So some people who are into energy efficiency would not like that because it sends a contradictory message."

Impact on low-income households

Vulnerable customer and environment advocates stated a declining block tariff is likely to disadvantage low-income households, who in general consume lower amounts of electricity than other households.

"Low consumption consumers will not benefit from the declining cost of energy in the subsequent consumption blocks, and high prices will be maintained for non-discretionary energy consumption required to support a basic standard of living."

Impact on primary producers

Food and fibre groups perceive that a demand tariff would disadvantage them, as their energy use can be very high at some times of the year, and significantly lower during others.

“We are forced to schedule the start of our irrigation program with the billing cycle for electricity, rather than when our crops need the water.”

Implementation

Some stakeholders supported a DBT as an interim measure to manage a transition to a long-term tariff structure - while NSW “catches up” with other States to install more smart meters.

Environmental advocates requested that long run marginal cost calculations be made available to support the rationale for a declining block tariff, It was noted Networks NSW agreed to share these calculations in the coming weeks.

Stakeholders who supported smart meters felt that they should be introduced by retailers in NSW, and paid for by consumers, as long as they were not imposed upon them.

“Ultimately the customer should pay, but hopefully the meters will be creating some efficiencies that can be incorporated into the final cost of the unit making it a very, very modest cost. Otherwise people will be very much getting up in arms.”

Demand tariff

This tariff was supported by food and fibre producers, environmental advocates, and some retailers and consumer groups. They considered a demand tariff provided consumers with more choice about when to use electricity to suit their budget. This type of tariff was particularly supported if it could be opt-in.

Environmental stakeholders stated NSW has more smart meters than Queensland or South Australia, yet network businesses in both those states still offer a demand tariff. They feel that the low take-up of smart meters in NSW should not prevent network businesses offering a demand tariff.

Other stakeholders did not support this tariff, and one vulnerable customer stakeholder was strongly against it, as it was considered to be problematic for low income families:

“They hate it, they’ve got kids that all come home from school right at the peak. They switch on the TV because it occupies the kids while they’re cooking – there’s no way in the world that this demand tariff is friendly, it’s not family friendly, because they’re terrified that it’s going to be loaded up because 60 per cent of an annual bill turns up in the summer time.”

Implementation

Some stakeholders stated that they would be more supportive of demand tariffs if smart meters were rolled out across NSW, because they would enable customers to be more aware of, and monitor, their electricity consumption.

Time of use tariff

Only a small number of stakeholders supported this tariff. They considered it was fair, reflective of network infrastructure use, and a useful tool to change consumption behaviour:

“Our understanding is always that the network was built for peak times, so cost reflectivity wise, and equity wise, customers who use more at the peak than customers who manage to avoid the peak.”

Most stakeholders were not supportive of time of use tariffs:

“The tariff doesn’t work for my 80 year old mother, because she’s scared to put on an air conditioner at 4pm in the afternoon because she’s terrified, on a 40 degree day.”

“You can’t adjust family life to make the kids have their baths at 9pm and lessen the power bill.”

“We are on 24/7 usage for our business... I know people who turn all the lights and appliances off in their homes at night or when away to reduce their power consumption and bill. We can't do that. Much as we'd like, the pumps need to run 24/7, or else our crops die.”

This tariff was perceived also to be complicated, and difficult for customers to understand.

A number of stakeholders stated this tariff was unpopular in Victoria, where customers did not understand it, and feared it would lead to 'bill shock'.

Social tariff

The NSW Council of Social Services (NCOSS) was happy to be cited, and is strongly in favour of social tariffs, and presented some key data to support their position: in 2014 about 33,000 households had their electricity supply disconnected for failure to pay an electricity, a figure that has increased by 100 per cent over five years. NCOSS stated further analysis is required to understand the impact that electricity bills have on specific vulnerable groups, such as carers, large families, people with medical heating or cooling needs, and people with low incomes:

“Low income consumers vary greatly by household size, inefficient housing and household appliances, and sometimes lack of understanding about energy consumption.”

However, most stakeholders ARE opposed to social tariffs, for the following reasons:

- “We don't want a multitude networks are better placed to focus on overall cost reduction rather than the development of a complicated discount system;
- multiple tariffs create higher levels of administration, and ultimately costs for the consumer;
- there is no guarantee that retailers would pass on social tariffs to the consumer;
- social tariffs distort the market and do not address underlying issues of affordability
- the cost of social tariffs needs to be met elsewhere – ‘cost-shifting’ in effect - and other customers may not be willing to meet these costs;
- network businesses should not be responsible for making value judgements about who should receive a discount and who should not. Most stakeholders felt strongly that government was best placed to make those decisions, and had responsibility to do so.

“Social policy is a government issue. It is a broad ranging issue that affects more than just vulnerability and affordability of energy... the network (business) should strive to deliver an efficient network tariff, and then any other social policy arrangements are up to other parties to facilitate”.

Food and fibre tariff

Most stakeholders interviewed considered that a food and fibre tariff should not be supported by the NSW network businesses.

“If those industries (food and fibre) need some kind of subsidy to be cost-effective then that should come by different means, government subsidies or other means.”

Food and fibre representatives support the network businesses considering special tariff for their industry (although one feared this would end up costing them the same in the long run):

“Growers have seen power bills increase by up to 300 per cent over the last few years. Growers are thinking seriously about going off the grid because of costs.”

Location and regional tariff

No stakeholders wanted to see rural consumers charged more for electricity than urban consumers, even though the actual costs of distribution may be higher:

“That would probably take the concept of cost-reflection a step too far. Rural people would lose out. Need to remember that NSW is more than just Sydney/Newcastle... In Australia people strongly believe that everyone should have equal access to essential services. This idea doesn’t match social and political reality.”

“There is a social element in people having the right to access services regardless of where they choose to live.”

Concurrently, there was no appetite for concessional tariff pricing for regional consumers based on their location.

Consumer electricity generation

A small group of stakeholders interviewed felt strongly that consumer generators were contributing nothing to the benefits they gained from exporting to the network, and should therefore pay a tariff.

Environmental advocates were naturally less supportive of this option, citing the following arguments:

- solar users will see an export tariff as another cost imposed on them, which would encourage them to leave the grid entirely in the long term;
- a solar export tariff would send a contradictory, even hypocritical, message compared to communications about the environmental and financial benefits of alternative energy sources;
- no other network nationally has found it necessary to introduce a solar export tariff in the TSS process;
- if the rationale is that the average load profile of solar customers is less favourable, this will be taken care of by demand tariffs; and
- there is disagreement that solar power production is a cost to networks.

Environmental advocates argued that consumers who invested in solar generation should be brought “down” a block along the three blocks of declining block tariffs. They posited that net solar customers (as opposed to gross solar customers) have invested so they can save energy, with the expectation of a consistent price. Shifting some of the cost to an earlier block means they receive less of the savings anticipated.

Timeframe for introducing new tariffs

Most stakeholders felt a three to five year timeframe was most appropriate to effectively introduce a new tariff structure, because:

- consistency in tariff arrangements is required over three to five years to drive any changes in consumer behaviour;
- short-term implementation would most likely result in ‘bill shock’, which would “not be politically palatable”;
- a shorter timeframe would not be effective to consult, discuss and communicate tariff changes with consumers.

Two stakeholders, however, suggested the appropriate timeframe to introduce new tariff structures would depend on the predicted bill increases: if these were likely to be marginal, the timeframe could be much shorter:

“All of these things should be measured in quantum. If you’re talking an extra \$30 a year, I don’t think we need a three year window to introduce this”.

“Changes happen all the time and no-one lets us know they are coming, we just see the change reflected in the bill. It seems the companies are a law unto themselves, so I have no idea why they are bothering to ask this question.”

Other issues discussed:

- CPI cap
- Stakeholders were asked if they felt consumers would support a CPI cap being placed on any tariff changes to reduce 'bill shock'.
- Stakeholders were divided evenly in their support for such a cap.

Consistency and long-term tariff planning

Most stakeholders supported emphasised the importance of consistency, and long-term thinking around tariff changes. These stakeholders perceive that customers want certainty and simplicity, not volatility and complexity.

Two stakeholders flagged the importance of not sending mixed signals to consumers, as tariffs are designed to stimulate behaviour change.

"I understand this strategy statement only applies for two years. So I'd like to see some comments about the next one (TSS period) to at least highlight at this stage, because all the other networks have a longer period. If we're not going to get anything more than just declining block (the network businesses) should at least highlight what they'll be looking at next time."

"Whatever Networks NSW does, whatever tariff structure it decides, it can't keep chopping and changing it once every five years in a regulatory period. People need certainty."

Tariff charges education

Several stakeholders emphasised the importance of education in the rollout of a new tariff structure.

The understanding of 'the why', or the 'back story', is considered essential to the success of introducing a new tariff – particularly as the key messaging might be shifting away from 'reduce consumption':

"If you're having a tariff conversation to bring people along, you need to explain why the declining block tariff is going to be introduced, given the conversation we've been having before (saying Ausgrid is going to introduce time of use meters) ... It's like "oh all of a sudden the past 10 years have disappeared".

The consultation process

Some stakeholders wanted to see a longer Phase Two TSS consultation and engagement period.

Food and fibre stakeholders were disappointed that most of the Phase Two consultation was taking place during harvesting season and school holidays, which limited their capacity to be involved.

A consumer advocate requested that network businesses share information with environment stakeholders so that advocates can support the final TSS decision. This information could include: load profiles for individual types of customers, plus LRMC for different tariff and customer classes.

Some environment and consumer advocates expressed scepticism about NNSW's commitment to consider other tariff options, and felt a decision to implement declining block tariffs had already been made. Advocates noted networks in other states had included optional demand tariffs in their recent tariff changes.

Acknowledgement of the difficulty of consultation

Despite some criticism of the timeframe for Phase Two stakeholder engagement, some stakeholders acknowledged that there was no 'right' answer when it came to the most appropriate network tariffs for NSW; and that the tariff preference of

individuals would differ at different stages of their lives depending on age, household arrangements, their business or employment circumstances, energy preferences, financial circumstances, and the area in which they lives or worked.

Phase Two: ENA and Networks NSW stakeholder workshop on vulnerable customer issues and network businesses future tariff structures, Thursday, September 24, 2015.

This seminar was jointly hosted by the Energy Networks Association with Networks NSW on vulnerable customer issues and network distributor businesses future tariff structures. Stakeholders representing vulnerable customers and consumer groups participated in the seminar and its discussions.

Several background papers were distributed by ENA to participants ahead of the forum to provide context for the presentations made on the day. These papers included:

1. *Supporting Vulnerable Energy Customers, an Energy Networks Association information paper: - May 2015.*
2. *Supporting Vulnerable Energy Customers – an options paper for the Energy Networks Association, Houston Kemp, 20 March 2015.*

The seminar's presenters included:

- Janine Young, Energy and Water Ombudsman (EWON), NSW
- Vince Graham, CEO, Networks NSW
- Lynne Gallagher, Energy Networks Australia
- Mathew McQuarrie, Ausgrid Manager Network Regulation
- Daniel Bubb, Endeavour Energy Network Pricing Manager
- Catherine Waddell, Essential Energy network Pricing Manager
- Kate McCue, Networks NSW
- Wayne Burns, ACIL Allen Consulting

This summary should be read in conjunction with the presentations given by the presenters above. Please note that in the interests of time, not all presenters were able to present all the material included in their material.

Attendees at the seminar included:

- Morris Mansour, Ethnic Communities Council,
- Iain Maitland, Ethnic Communities Council of NSW
- Jane Leung, EWON
- Armanda Scorrano, NCOSS
- Serena Ovens, Physical Disability Council of NSW
- Oliver Derum, PIAC
- Jess Munton, PIAC
- Mark Byrne, Total Environment Centre
- Craig Memery, Alternative Technology Association
- Rosemary Sinclair, Energy Consumers Australia
- Mercedes Lentz, Consumer Utilities Advocacy Centre
- Randall Brown, Energy Australia
- Ben Barnes, Lumo Energy
- Alex Mc Pherson, Jemena
- Kee Li, Jemena
- Katharine Hole, NSW Department of Industry
- Shelley Ashe, NSW Department of Industry
- Lauren Solomon, AGL

- Shaun Ruddy, Alinta Energy
- Keith Roberson, Origin Energy
- Helen Scott, Ethnic Communities' Council of NSW
- Chris Dodd, EWON
- George Powell, NSW Business Chamber
- Katie Hannouch, Transgrid
- Representative, Choice
- Representative, Lumo Energy
- Salvation Army representatives

Attending from the three network businesses:

- Vince Graham Chief Executive Officer
- Trevor Armstrong, Deputy Chief Executive Officer, Ausgrid
- Mathew McQuarrie, Ausgrid Manager Network Regulation
- Robert Telford, Ausgrid
- Zoe Allebone, Ausgrid
- Scott Ryan, Acting Deputy Chief Executive Officer, Endeavour Energy
- Jon Hocking, Endeavour Energy
- Daniel Bubb, Endeavour Energy
- Kate McCue, Endeavour Energy
- Nathalie Cooke, Endeavour Energy
- James Tydd, Endeavour Energy
- Gary Humphreys, Deputy Chief Executive Officer, Essential Energy
- Catherine Waddell, Essential Energy

Networks NSW partners:

- Adrian Kemp, HoustonKemp
- Wayne Burns, ACIL Allen Consulting

The Roundtable began with the presentation by Janine Young, Energy and Water Ombudsman NSW. Ms Young's presentation outlined issues relating to vulnerable energy customers and called for a combined approach from parties to achieve better outcomes as the current approaches are not meeting the needs of many vulnerable consumers.

As part of the seminar, the CEO of NNSW outlined the importance of maintaining the electricity distribution network to provide secure, reliable and affordable electricity to consumers. He emphasised that this was paramount and that the use of declining block tariffs over the next few years will mean the most financially vulnerable customers will be shielded from electricity "bill shock".

Each network then outlined the key drivers and unique network characteristics that needed to be considered as the platform for developing its tariff strategy.

This roundtable set an ambitious amount of content to absorb and for that reason, seminar participants agreed a further roundtable meeting be held of a subset of consumer representative stakeholders on the information asymmetry about electricity tariffs faced by many vulnerable customers, and how the whole electricity sector can, with consumer advocates, better inform consumers about electricity tariffs, and the most economic use of electricity in their homes.

The roundtable meeting would be organised and hosted by Networks NSW.

The following table summarises the main areas of discussion during the seminar.

	Area of focus	Discourse and discussion
1	Janine Young CEO of EWON delivered an overview of the profile of vulnerable electricity customers in NSW, including affordability issues.	<p>2.55 million people in Australia live below the poverty line (14% of population)</p> <p>Complaints to the Energy and Water Ombudsman have decreased to around 31,000 last financial year, from a peak of 37,000 in 2013/14.</p> <p>An estimated 35,000 homes have been disconnected from the grid last financial year.</p> <p>22.4 per cent of disconnected customers were concession customers.</p> <p>Debt collecting and the use of credit fixing agents is increasing.</p> <p>Bill complexity and fees and charges are increasingly cited as problems for vulnerable customers.</p> <p>Up to 10 per cent of the household budget of low income earners is spent on electricity.</p> <p>Ms Young stated the most vulnerable customers often consume the most electricity, principally due to poor insulation in their home; or in the case of the unemployed, electricity use is high because unemployed customers spend considerable time at home. Ms Young said that the declining block tariff structure can be of benefit to this demographic as they can be pushed into the declining blocks where energy consumption charges are lower.</p> <p>A safety net, transition to cost-reflective tariffs, and consumer capacity to make informed choices by providing greater accessibility to simple information about electricity consumption and energy use is viewed as important by most stakeholders.</p>
2	EWON preferred approach to alleviate customer financial vulnerability	<p>Recognition: that it is a shared problem.</p> <p>Examination: of the relationship between income and affordability.</p> <p>Collaboration: to achieve effective strategic and systemic solutions.</p> <p>Exploration: of ways to find sustainable solutions.</p> <p>Implementation: of customised responses to address individual, situational and generational poverty.</p>
3	NNSW outlined its rationale for considering a declining block tariff	<p>Electricity pricing structure in Australia has been characterised traditionally by inclining tariff blocks, where electricity prices increase the more that electricity is consumed.</p> <p>Electricity demand is decreasing in NSW and NSW networks are operating under a capped revenue regime. This means that if consumption falls, network electricity prices increase, and if consumption increases, electricity prices fall. For this reason, NNSW has been steadily moving to a declining block tariff structure, from an inclining block tariff structure. NNSW indicated the proposed declining block tariff would underpin maintaining the distribution network, and provide secure, reliable and affordable power to consumers.</p>

	Area of focus	Discourse and discussion
		<p>The network businesses are open to considering other tariff options. However to date, there has been a strong rationale for declining block tariffs to meet Australian Energy Regulator Rules, and shield consumers from “bill shock”.</p> <p>All seminar participants, including the network businesses, agreed the wide range of tariff options that have been discussed in NSW since 2014 must be considered by the network businesses in their tariff deliberations.</p> <p>NNSW indicated that it needed to consider the customer impact of all tariff options, and encouraged and welcomed proposals and responses to its issues paper from advocates, indicating that all tariff option preferences would be considered if there were logical and compelling cases grounded in evidence.</p>
4	Information asymmetry	<p>Consumer advocates indicated that consumers are often confused about the tariff and other electricity charges information provided to them by distributors and retailers. Representatives from the Salvation Army cited the prevalence of selling electricity retail contracts via door knocking as a factor contributing to the challenges faced by vulnerable customers in NSW.</p> <p>There was discussion about consumers being swayed by retail salespeople on the prospect of a lower energy bill, and then later often finding themselves with less access to government rebates, and an increased debt. There was discussion that information asymmetry about electricity tariffs and other charges hindering the ability of consumers to understand their bills. NNSW agreed more can be done across the industry, including with retailers and networks to address consumer education, and suggested public policy makers and NGOs should be involved also.</p>
5	Solar energy generation and tariffs	<p>Stakeholders focused on solar and renewable energy generation and distribution, including customers with home solar energy generation, indicated they were concerned that declining block tariffs will act as a disincentive to household investment in and use of renewable energy, and would result in immediate higher cost burdens for customers generating solar electricity.</p> <p>Some advocate groups suggested a declining block tariff that did not charge household customers more for their electricity they used beyond the fixed charge first block, would encourage more people in NSW to use more electricity. The result would be an environmentally unsustainable use of electricity.</p> <p>NNSW indicated that the AER rules stipulated the efficient use of the network must be central to how tariffs are structured, and that public policy settings, consumer education, and retailer competition and education, are factors influencing more environmentally responsible use of electricity.</p> <p>The NNSW CEO stated network businesses in NSW were not considering a specific tariff for customers who generated electricity from solar energy, including customers who use the ‘grid’ to export electricity generated from solar technology back into the grid.</p>
6	Social tariffs	<p>Social tariffs were discussed during the seminar, including the objectives of social tariffs – to shield financially vulnerable customers from adverse social and economic experiences or outcomes.</p>

	Area of focus	Discourse and discussion
		<p>It was discussed if applying social tariffs was within the AER rules, and if efficient use of the distributor network would entertain all customers subsidising a social tariff, and how that tariff would be applied (eligibility, billing).</p> <p>The role of retailers in being better able to offer consumers a social tariff, and the role of public policy in financially supporting socially vulnerable citizens to meet electricity costs was raised also.</p> <p>NNSW and a number of stakeholders suggested a multijurisdictional approach is required to address how 'efficient' application of AER rules can be managed to make sure the less well off in the community can afford electricity to sustain a good quality of life.</p>
7	Stakeholder engagement	<p>NNSW indicated to stakeholders that it would have preferred to begin its engagement with stakeholders around future tariff structures earlier. It discussed that stakeholder engagement in September/October 2015 was Phase Two of tariff stakeholder engagement, which began in 2014 with a series of tariff briefing workshops. Phase Three will commence following the December 2015 lodgement of the TSS proposal to the AER, including the seven month AER deliberation period before draft determinations in July 2016.</p> <p>NNSW indicated that while a declining block tariff (the tariff applied in NSW since July 1, 2015) is a preferred option to meet the AER rules and the three distributor business objectives, social tariffs, demand tariffs, solar tariff options, food and fibre tariffs and regional (geographic) tariffs were options NNSW will consider as part of its upcoming TSS proposals – and in future proposals – if stakeholders saw merit in them, if they met the AER rules, and if the rationale for them is clear.</p> <p>A number of stakeholders indicated they were sceptical that NNSW businesses had not already cemented a declining block tariff as the tariff it would propose to the AER. The NNSW CEO indicated that while the declining block tariff now applied in NSW was a preferred option, all other options within the AER rules would be considered. He encouraged stakeholders to discuss tariff options with NNSW during September/October roundtables and one-on-one consultations, including to offer guidance as to how preferred tariffs can be structured and applied.</p>

Phase Two: Networks NSW Electricity Retailers Stakeholder Roundtable on future tariff structures, Monday, September 28, 2015.

This Roundtable was convened by Networks NSW to discuss stakeholder views, opinions, proposals and questions about the future tariff structures of Ausgrid, Endeavour Energy and Essential Energy.

Representatives of electricity retailers in NSW participated in the Roundtables and its discourse.

Presentations were given by Adrian Kemp from Houston Kemp on the background to Networks NSW tariff strategy and Vince Graham CEO Networks NSW who explained the reason for Networks NSW decision to transition to a declining block tariff for most residential network customers.

These notes should be read in conjunction with the copies of these two presentations.

Roundtable participants were:

- Lam Phan, Simply Energy
- Randall Brown, Energy Australia
- David Calder, Origin Energy
- Steven Dimovski, Origin Energy
- Patrick Whish-Wilson, AGL
- Constantine Noutso, Lumo Energy
- Stuart Auld, COzero Energy Retail
- Andrew Mair, Dodo Power & Gas
- Hillary Priest, Pooled Energy
- Scott Begg, Powershop
- James Gerraty, Powershop
- Danielle Holly, Powershop
- James Barton, Simply Energy
- Shaun Ruddy, Alinta Energy
- Keith Robertson, Origin Energy

Attending from the three network businesses included:

- Vince Graham, CEO, Networks NSW
- Kate McCue, Corporate Affairs, Networks NSW
- Matt McQuarrie, Ausgrid
- Jon Hocking, Endeavour Energy
- Dan Bubb, Endeavour Energy
- Nathalie Cooke, Endeavour Energy
- Catherine Waddell, Essential Energy

Networks NSW partners:

- Wayne Burns, ACIL Allen
- Adrian Kemp, HoustonKemp
- Presentation by Adrian Kemp

The Roundtable began with a brief presentation from Adrian Kemp, Partner at Houston Kemp and economic advisor to Networks NSW. Adrian outlined the effect of the new rules and the implications for designing tariff structures. Key points made: When you consider tariff structures it is crucial you also consider metering. This is a key distinction between Victoria and NSW. The costs and types of meters are important and you need to weigh up the advantages and disadvantages to the customer.

Also it's important to understand that this is not about energy efficiency but about the efficiency of the network. Key question is what is the 'efficient' tariff? This relies on people responding to price signals and consumption charges.

There are three core issues that need to be considered:

1. Gradual transition – the businesses must take the transition to efficient tariffs into account and consider the impact on different kinds of customers. The transition period is entirely at the discretion of the business.
2. The ability of customers to choose between different tariffs.
3. The ability of customers to mitigate impact through usage decisions.

Businesses need to think about a suite of tariffs in the medium to long term. There is no single right answer.

Presentation by Vince Graham CEO Networks NSW

The CEO of NNSW then presented to the Roundtable and outlined the importance of maintaining the electricity distribution network to provide secure, reliable and affordable electricity to consumers – and outlined the logic for transitioning over the past two years from an inclining block tariff for residential customers to a declining block tariff. Vince also explained how a declining block tariff (DBT) complies with AER rules.

He noted the important conclusions of the CSIRO research into cost reflective prices and questioned the assumption that the regulatory regime assumes consumers will respond to signals on pricing, suggesting perhaps they won't.

Vince highlighted significant differences that exist in NSW compared to other states in the NEM. These include:

- Consumption has been declining and is now relatively stable.
- Most meters in NSW are basic accumulation meters (with the exception of around 300,000 interval meters in Ausgrid's network)
- The NSW Government has decided that any future roll out of smart meters will be market led, not government led.
- The benefits of the smart meter roll out in Victoria has come at a significant cost to the Victorian taxpayer according to the Victorian Auditor General (\$2b)
- Each network in NSW has capped revenue and this means if consumption falls (by around 3%), prices go up and if consumption increases, prices go down. Networks need to offer a range of incentives to protect consumers from the risk of increases prices. The shift to a declining block tariff is part of our response to offering consumers more stable electricity prices.

He also invited retailer representatives to respond to our issues paper on tariff design, outlining that it canvassed 8 different types of tariffs. He noted that networks were interested to explore stakeholder feedback to any or all types of tariffs and consider all responses and suggested alternatives.

A summary of the discussion follows over.

The following table summarises the main areas of discussion.

	Area of focus	Discourse and discussion
1	Key priorities and tariff structure issues flagged by retailers	Retailers wanted to understand why Networks NSW had decided on a declining block tariff as its preferred structure, and how DBT reflects the AER rules and principles. They also asked how volumetric tariffs support emerging technologies and how the networks will approach metering charges. Some retailers indicated they would prefer for the NSW market to reach a point where tariffs in NSW will be as cost reflective as in Victoria.
2	Declining Block Tariffs and the rules	<p>Electricity pricing structure in Australia has been characterised traditionally by inclining tariff blocks, where electricity prices increase the more that electricity is consumed.</p> <p>Electricity consumption is decreasing in NSW and under a capped revenue regulatory regime, that would result in electricity prices rises, but if consumption increased, prices would fall. NNSW indicated a DBT would underpin maintenance of the distribution network, and provide secure, reliable and affordable power to consumers.</p> <p>The network businesses indicated they are open to considering other tariff options including a social tariff. However, to date, there has been a strong rationale for DBTs to meet Australian Energy Regulator Rules, and shield consumers from "bill shock".</p>

	Area of focus	Discourse and discussion
3	Discussion about declining block tariffs, smart meters	<p>Some retailers questioned whether a DBT was a cost reflective structure, and if consumers would have less incentive to reduce energy consumption within a DBT regime.</p> <p>Other retailers argued demand based tariffs provided an incentive for customers to reduce consumption, and asked how the tariff structure can evolve to meet trends in customer demand if it is fixed for three years.</p> <p>Participants agreed that customers are more focused on the short term, and that it takes longer time frames to change customer behaviour.</p> <p>Most participants suggested they understood the logic of a DBT in light of declining electricity demand in NSW, however, but some retailers indicated they have different views on how the rules should be implemented. Some retail representatives stated they believe the most appropriate price signal to customers would be to offer the market various tariffs, especially once consumers in NSW have the option of using smart meters. They argued customers need an incentive to use the network in a more efficient manner.</p> <p>There was further discussion about smart meters. One retailer indicated it had a major investment in Time of Use meters and has invested significantly in educating customers about their purpose and benefits only to discover customers found it hard to understand. Another noted that the more complicated tariff structures are, the less the chance will be that Retailers will pass it onto customers. Simplicity of tariff structure was a highly valued attribute by Retailers.</p> <p>NNSW indicated the NSW Government had indicated that any roll out of smart meters in the State would be market-led.</p> <p>A number of retailers indicated they did not see the benefit for customers to have a smart meters.</p>
4	NNSW CEO Vince Graham explained the impact of various network tariffs on retailers, and outlined the rationale for declining block tariffs	<p>NNSW indicated each retailer decided how it competed in the market.</p> <p>NNSW indicated its tariff decisions that send price signals to electricity customers in NSW depended in part to what degree retailers passed on those signals to their customers.</p> <p>It suggested the long run marginal cost (LRMC) of electricity distribution is close to zero.</p> <p>Smart metering was discussed as an option to inform a demand tariff. NNSW stated it considered there is not yet market appetite for a demand tariff, confirmed by Victorian experience. It was discussed that if, by some projections, LRMC is zero over the next five years, it remains unclear what benefit smart meters would offer to the large majority of NSW electricity customers.</p>
5	Open Roundtable discussion	<p>One retailer asked why NSW distributors could not be more aggressive with tariff structuring. NNSW suggested it was focused on ensuring that considering customer impact under the AER Rules, and its own consideration of customer impact, that it was at this stage committed to</p>

	Area of focus	Discourse and discussion
		<p>ensure there were more customer 'winners'; than 'losers' in a post 2016 tariff structure regime.</p> <p>There was a discussion about the impact on the network businesses of more customers installing solar generating technology. NNSW indicated that although the network businesses have been asked to consider a 'solar tariff' to realise the cost of household solar generators using the network to 'put power back' into the grid, it is not considering such a tariff.</p> <p>Some retailers queried the network businesses level of confidence that peak demand was not going to increase over the next five to seven years.</p> <p>One retailer was concerned consumption was not driving network costs structures. Another retailer questioned whether the DBT complied with the rules when demand is the real driver.</p> <p>A retailer commented that while the DBT makes sense in 2015, if demand catches up, then a long term pricing strategy needs to be considered.</p> <p>NNSW noted the need to balance long term, medium term, and the immediate demands of customers.</p>
6	Social tariffs	<p>Participants asked if NNSW was considering proposing a social tariff in its AER proposal. NNSW indicated a social tariff option has been flagged as one of eight different tariffs, and that it was considering it. However, it indicated there has been no evidence base as yet to propose a social tariff to the AER. NNSW indicated network businesses in NSW offer five to six vulnerable customer support or payment arrangements.</p> <p>Key questions asked put to the retailers by NNSW included: How do you structure it? How do you fund it and how do you transition customers off it?</p>
7	Customers with different needs – pricing and customer information	<p>Retailers asked whether customers with different needs should be priced the same. There was a discussion about opt in smart metering. Retailers noted quarterly meter reads made it harder for customers to make informed decisions.</p> <p>Participants discussed providing more information on the customer bills about network costs.</p> <p>Some retailers indicated that detailed information about customer electricity bills confused most customers, and failed to provide meaningful information for customers to make decisions that can reduce their electricity costs.</p>

Phase Two: Networks NSW Food and Fibre Stakeholder Roundtable on future tariff structures, Monday, September 28, 2015.

Hosted by Essential Energy and NNSW, the Roundtable explored the views and priorities of food and fibre stakeholders around future electricity tariff structures in NSW. Six peak stakeholder group were invited to attend the Roundtable.

Seasonal harvesting commitments meant some of the stakeholders were unable to attend the Roundtable, but were keen to keep apprised of discussions, and keen also to participate in the one-on-one discussions that Essential Energy will be scheduling with its tariff structure stakeholders.

Roundtable participants included:

- Stefanie Schulte, Policy Manager, NSW Irrigators' Council
- Felicity Muller, Policy Officer, Cotton Australia
- Cory Urquhart, Essential Energy
- Catherine Waddell, Essential Energy
- Oliver Nunn, HoustonKemp Economics
- Wayne Burns, ACIL Allen Consulting

The table summarises the main areas of discussion during the Roundtable. Catherine Waddell from Essential Energy, and Oliver Nunn from HoustonKemp, delivered presentations on Essential Energy's tariff environment, and the regulatory rules in which network businesses need to approach and frame their TSS.

	Area of focus	Discourse and discussion
1	Irrigator issues	<p>Stakeholders indicated they have seen a significant increase in electricity costs, especially network costs, over the last five years. The Irrigators' Council has analysed data from irrigators to see where the challenges lie, and where gains can be made. The Council indicated that with the most efficient systems, some growers find their businesses unviable, and electricity charges contribute to business costs considerably.</p> <p>Stakeholders stated the costs of many irrigators are extremely large because of seasonal and weather conditions that growers can't control, and that do not align with tariff timings. The way the water system works varies across parts of NSW according to water flow and rain.</p>
2	Cotton Australia issues	<p>Growers have seen power bills increase by up to 300 per cent over the last few years. Growers are thinking seriously about "going off the grid because of costs".</p> <p>Stakeholders reported many growers are spending considerable effort and time considering other forms of energy – such as renewable and diesel as a backup, to reduce the load of their water pumping and associated irrigation costs.</p>
3	Consultation and timeline	<p>Roundtable stakeholders indicated the harvesting season and school holidays meant their capacity to engage with Essential Energy's TSS engagement process was truncated, and would have benefited from considerably more time.</p> <p>Stakeholders noted all their comments were preliminary, because they need to consult with members.</p> <p>Cotton Australia questioned also the extent to which its feedback would be incorporated into NNSW's deliberations, and wanted assurance that its input would be considered meaningfully.</p> <p>NNSW noted the timeframe for Phase Two TSS stakeholder engagement was compressed, but the engagement was meaningful, and that NNSW was seeking for any evidence-based approaches to tariff structure options.</p> <p>Stakeholders indicated they perceived they did not have enough time to date to examine tariff structure options in detail, and would prefer more time to examine various tariff options.</p>

	Area of focus	Discourse and discussion
4	Pricing information	<p>Stakeholders noted poor community understanding of the timing of peak and shoulder tariff periods, and feel they cannot modify their electricity use because of the unpredictability of water releases and availability.</p> <p>Stakeholders indicated their audits indicate precise time of peak and shoulder charges, and each component (access charge, green charge, tariff charge), are not clear on electricity bills (NNSW suggested it could provide such information to electricity retailers).</p> <p>Stakeholders stated irrigators may not be aware if they should be on a more suitable tariff. There could be significant savings if they understood they can change their tariff.</p> <p>Stakeholders noted that precision irrigation is on the rise, with a focus on optimal water use. However, this mode of irrigation has implications on irrigation electricity costs.</p>
5	HoustonKemp Economics outlined the AER's Rules, and NNSW's rationale for considering a declining block tariff as a way to move to an efficient charging structure	<p>Economics firm HoustonKemp (which conducted TSS analysis for NNSW) noted the move to efficient pricing structure is a long term process, primarily about aligning marginal prices and marginal costs. It indicated a key concern is for network businesses must be to move an efficient charging structure while complying with the AER's Rules.</p> <p>It was discussed that electricity demand is decreasing in NSW. NNSW indicated the proposed declining block tariff would underpin maintaining the distribution network, and provide secure, reliable and affordable power to consumers.</p> <p>NNSW indicated network businesses are open to considering other tariff options. To date, there has been a strong rationale for declining block tariffs to meet Australian Energy Regulator Rules, and shield consumers from "bill shock".</p> <p>NNSW indicated that it is open to consider tariff options that can be supported by an evidence base.</p>
6	Managing demand	<p>Irrigators asked about ability for primary producers to manage demand to enable large scale electricity users to take advantage of technology. Could growers switch on or off to an alternative source to smooth out consumption? Participants discussed demand management solutions to manage forward costs.</p> <p>Irrigators asked about areas of specific constraint in NSW; Essential Energy noted minimal constraints and no increase in demand.</p> <p>Irrigators highlighted that if electricity prices continue to increase because more growers "leave the grid", there may be an acceleration of primary producers 'leaving the grid'. Stakeholders suggested a large cohort of primary producers leaving the Essential Energy grid was not desirable; but is a "real option" being considered by many producers who are under severe whole of business cost pressures.</p>
7	Patterns of electricity use	<p>Irrigators asked if Essential Energy has examined electricity use patterns to inform a discussion about if there is capacity to smooth out peaks in demand.</p>

	Area of focus	Discourse and discussion
		<p>Cotton Australia indicated it was interested in seeing network tariffs correlated to energy usage – with a move to have triggers for signal shifts so that growers can offset electricity use to different times, and rates between peak and shoulder to provide incentives. Network tariffs must not discourage water efficiency.</p> <p>Irrigators agree that the priority is to identify feasible options, and that time signals would be a good step if growers have flexibility to change behaviour to achieve some savings. Currently there are two tariff signals – shoulder and peak – so there is no incentive to change electricity consumption behaviour. Stakeholders indicated there is significant value in electricity users understanding the time periods when the real peaks in electricity use occur.</p> <p>Cotton Australia suggested offering choice by removing the demand charge, or avoiding charges over weekend days. It was noted Essential Energy had removed low voltage rebate criteria, which was a disappointment for many food and fibre sector growers and processors.</p>
8	Food and fibre tariff?	<p>Stakeholders indicated time varying demand charges would be supported by many food and fibre producers and processors.</p> <p>Cotton Australia noted an option to select better times of power use based on water supply (with up to two to three days' notice of water availability) could attract considerable support.</p> <p>Essential Energy confirmed the potential for discussions about time of use flexibility, including facilitating discussions with electricity retailers and water regulators.</p>
9	'Bill shock'	<p>Stakeholders stated preliminary reports indicate that electricity bills for some food and fibre producers in the Essential Energy footprint have fallen slightly.</p> <p>Cotton Australia noted there has been very little opportunity to advocate for adjustments to demand charges, and noted that time of use charges would be a tariff option that could be supported by its members.</p> <p>Essential Energy confirmed it is investigating these options.</p> <p>Cotton Australia noted some cotton growers used electricity via an average daily demand tariff, and that this tariff arrangement could be useful for other users and customers.</p>
10	Future consultation	<p>Essential Energy indicated that this Phase Two consultation on 2017 – 2019 TSS would be part of a continuous consultation in the future with food and fibre stakeholders.</p>

Phase Two: Networks NSW Environmental and Consumer advocates Roundtable on future tariff structures, Tuesday, September 29, 2015.

The Roundtable was hosted by Networks NSW on environmental and consumer concerns around network distributor businesses' future tariff structures. Representatives from environmental groups and consumer advocates participated in discussions.

The participants were:

- Craig Memery – Alternative Technology Association
- Iain Maitland – Ethnic Communities Council & Federation of Ethnic Communities Councils Australia
- Mark Byrne – Total Environment Centre
- Dan Scaysbrook – Solar Citizens
- Oliver Derum – Public Interest Advocacy Centre
- Jon Hocking – Endeavour Energy
- Dan Bubb, Endeavour Energy
- Mike Martinson – Networks NSW
- Kate McCue – Networks NSW
- Catherine Waddell – Essential Energy
- Cory Urquhart – Essential Energy
- Matt McQuarrie – Ausgrid
- Chris Amos – Ausgrid

Presenters were:

- Mike Martinson – Networks NSW
- Oliver Nunn, HoustonKemp Economics

Networks NSW partners:

- Wayne Burns, ACIL Allen Consulting
- Oliver Nunn, HoustonKemp Economics

As part of the seminar, Mike Martinson of NNSW delivered a presentation that outlined the importance of maintaining the electricity distribution network to provide secure, reliable and affordable electricity to consumers. He also outlined NNSW rationale for its shift from inclining block tariffs to declining block tariffs and highlighted the key drivers that were causing differences in tariff strategy between NSW and other states in the NEM.

Oliver Nunn from Houston Kemp also briefly outlined issues related to the Rules and LRMC.

This summary should be read in conjunction with those two presentations for completeness.

Seminar participants requested that calculations of long run marginal cost (LRMC), which form the basis of the proposal to stay with a declining block tariff (DBT), be made available. NNSW agreed to share these calculations in the coming weeks.

The table summarises the main areas of discussion.

	Area of focus	Discourse and discussion
1	Stakeholder issues	All environmental and consumer advocates noted the need to understand logic of the declining block tariff and how it meets the AEMC Rules, as well as other options of tariff structures going forward. Some advocates expressed scepticism of Networks NSW's commitment to consider other options and felt that a decision

	Area of focus	Discourse and discussion
		<p>to implement DBTs had already been made. Advocates noted networks in other states had included optional demand tariffs.</p> <p>Most stakeholders stated they supported a longer consultation period before the network businesses in NSW submit their TSS proposals. Some stakeholders questioned if NNSW has already made a decision about which tariff structure it would be proposing to the AER.</p> <p>Key concerns for culturally and linguistically diverse (CALD) consumers are: more than half of CALD household and SMEs don't understand their electricity bill, and one third of SMEs don't even read bills. It was discussed that these facts make the concept of tariff structures difficult to understand. There are specific ways to address communication and understanding with CALD communities; these are not traditional. CALD comprise 25% of NEM and can't be ignored.</p> <p>The Total Environment Centre stated a declining block tariff has significant consumer impacts and has a bigger impact on customers who generate some of their energy needs via solar systems more than others. It argued a declining block tariff is not likely to generate good environmental outcomes.</p> <p>Solar Citizens are particularly concerned about possibility of a solar tariff, which no other network has found necessary to introduce in the TSS process. This will encourage solar consumers to leave the grid in the long term, and NNSW is taking a long-term reputational risk implementing it. NNSW repeated previous explanations that it was one of several different tariff options being considered and it did not have any plans to implement such a tariff despite some stakeholders calling for one.</p> <p>Alternative Technology Association noted metering is limited in NSW, and the declining block design focuses on where we are now, rather than considering the possibility that LRMC will rise.</p>
2	<p>HoustonKemp Economics outlined the AER tariff structure rules, and NNSW rationale for considering a declining block tariff as a way to transition to an efficient charging structure</p>	<p>HoustonKemp noted the transition to efficient tariff pricing structures is a long term process about aligning marginal prices and marginal costs. A key concern for NNSW and all network businesses is how to move to the efficient charging structure while complying with the Rules.</p> <p>Electricity demand is decreasing in NSW and each network operates under a capped revenue regime. This is an important factor in NSW as it means if consumption declines, electricity costs increase and if consumption increases, electricity costs will fall. NNSW indicated the proposed declining block tariff would underpin maintaining the distribution network, and provide secure, reliable and affordable power to consumers.</p> <p>The network businesses indicated they are open to considering other tariff options. However, to date, there has been a strong rationale for declining block tariffs to meet Australian Energy Regulator Rules, and shield consumers from "bill shock"; and an evidence base is lacking to make the compelling case for other tariff structures to be the dominant structure across the network businesses in NSW.</p> <p>Networks NSW invited participants to respond to their issues paper and set out the logic for alternative tariffs.</p>

	Area of focus	Discourse and discussion
3	Time frame, smart meters and differences with other states	<p>NNSW noted the TSS period being discussed is a two year period only.</p> <p>The network businesses noted that smart metering is restricted to about 300,000 customers in NSW (in Ausgrid's business footprint), which does not support a move to a demand tariff (which is supported strongly by environment stakeholders).</p> <p>Environmental advocates argued that other networks have approached the tariff structures as a 10 year process, to implement tariffs that would be cost reflective by 2020-2025, and are using that basis for calculating the LRMC. They stated NSW has more smart meters than Queensland or South Australia, yet network businesses in both those states will offer a demand tariff, thus low smart meters take up in NSW should not prevent network businesses offering a demand tariff.</p> <p>Environmental advocates argued NSW network businesses are "going in a different direction" to networks on other states by favouring a DBT, which appears to be contrary to intent of the AER rule change, and that does not send a price signal to reduce peak demand.</p> <p>Consumer advocates argued that if a demand tariff isn't offered as an option for the next two years, NSW "will be years behind" when it is offered.</p> <p>NNSW indicated smart meter roll out had been deigned by NSW Government policy to be "market driven", and that retailers had the option to offer smart metering as market advantage. It stated that the absence of smart meter scale in NSW meant that based on existing analysis, a demand-based tariff structure for the NSW network businesses was unlikely to be viable.</p> <p>Environmental stakeholders disagreed with this analysis, and argued a DBT would not discourage customers from using electricity efficiently.</p>
4	Declining block tariffs vs demand tariff and voluntary options	<p>NNSW outlined its view that introducing a demand tariff for the next period of the TSS may not represent a responsible transition to a long-term efficient tariff structure. It suggested it would be more reasonable to consult with customers between now and post 2019 TSS period to understand if customers want to be charged on a demand basis. NNSW noted the vast majority of customers have accumulation meters, which limits the ability to charge consumers at peak/capacity constrained times, making implementing a demand tariff difficult.</p> <p>The network businesses indicated consumers can opt into a time of use tariff, but it is uncertain what the level of metering will be; there is a paucity of analysis on demand tariffs to make NNSW confident to roll out a demand without testing it. NNSW stated it is committed to monitoring customer preferences, and if customers indicate they want a demand tariff, the network businesses would examine a demand tariff as part of the next TSS.</p> <p>Environmental advocates indicated they could not see a compelling case not to offer an opt-in demand tariff, especially as it would encourage the uptake of smart meters. If there is a danger, it should be explained to consumers.</p> <p>Advocates noted current low LRMC would be a good time to offer a demand tariff, giving consumers an opportunity to "try while the price remains low" to avoid being shocked when the electricity price increases. Some advocates argued that a demand tariff cannot be left until too much power is being consumed. They posited that customers are encouraged to use more power thanks to DBT.</p>

	Area of focus	Discourse and discussion
		<p>Network companies noted that only a handful of consumers have currently opted in to time-of-use; don't see consumer interest in demand tariffs. Lack of consumer interest credited to the fact that bills aren't well understood.</p> <p>Consumer advocates questioned whether NNSW has genuinely considered a demand tariff if analysis of the impact has yet to be shared.</p>
5	Network businesses rationale to prefer a declining block tariff, and discussion of LRMC	<p>The network businesses stated over the long term, the AER rules would lead to higher fixed charges and lower variable charges based on LRMC. NNSW believes DBT meets the requirements of the rules because it minimises price distortions by not pricing above LRMC at the highest block. They indicated that a DBS — what is in place from 2015 — is most likely the best option to transition to the final structure.</p> <p>The businesses noted that in terms of efficient tariffs, the level of variable charge will change based on how LRMC is calculated at a particular time (each five year period). They stated that a LRMC at close to zero would be reflected in a low variable charge. If there is a need for investment in the network, LRMC may be higher, and thus variable charge may increase.</p> <p>Some stakeholders stated NSW should have a similar cost structure to other states, and argued that LMRC calculations must be made available to support the rationale for a DBT. NNSW agreed to share these calculations in the coming weeks.</p>
6	Information sharing	<p>A consumer advocate sought to clarify disclosure of information during the stakeholder engagement process. He argued the network businesses should share information with environment stakeholders so that advocates can support the final TSS decision. This information could include: load profiles for individual types of customers, plus LRMC for different tariff and customer classes.</p>
7	Discussion of DBT not encouraging people to reduce energy consumption	<p>Environmental advocates argued a DBT is regressive for low income and solar consumers who pay relatively more for their electricity, while high energy users do not receive price signals to reduce peak demand.</p> <p>Network distributor businesses noted solar customers are spread evenly across three blocks of DBT use — not necessarily hit with high prices. They noted also that the AER rules required network businesses to develop tariff structures that make the most efficient use of the distribution network, and that efficient energy use was an issue not only for distributors, but for retailers, public policy and civil society.</p> <p>Environmental advocates argued that as people invested in solar generation, they should be brought “down” a block along the three blocks of DBT. Net solar customers (as opposed to gross solar customers) have invested so they can save energy with the expectation of a consistent price. Shifting some of the cost to an earlier block (DBT) means they get less of the savings anticipated. The tariff is not only a signal to consumers for future use; some consumers have made investments in solar or other efficiencies.</p> <p>Environmental advocates disagreed also with a view that the AER rules will lead to an efficient tariff that will eventually be 90 per cent fixed and 10 per cent variable charges. They argued the point of the rule change is to limit “gold plating” through price signals, and to encourage lower electricity use during peak periods, which is not achieved with a 90 per cent fixed tariff.</p>

	Area of focus	Discourse and discussion
		HoustonKemp notes that efficiency does not mean lower power use. It means that in terms of consumption, the decision of a customer to consume aligns with costs to provide that service, and aligns with forward looking costs of provision.
8	Further discussion about considering demand tariff as an option	<p>The network businesses noted there is another six to nine months to really explore the issues raised during discussions up until the AER makes its 2017 – 2019 tariff structure decisions; and that November’s lodgement of TSS proposals is a “milestone not an endpoint”.</p> <p>The network businesses asked whether small electricity users will understand a demand tariff; the CALD advocate suggested not - that it would require heavy marketing, and highlighted a disconnect between what networks are proposing and the reality for people when they actually pay the bill.</p> <p>NNSW stated that during the TSS Retailer Roundtable, a retailer suggested a suite of tariffs in the medium to long term. It was reported one retailer stated it had “spent millions to educate consumers about time of use tariffs, but customers found it hard to understand”. It was discussed that the more complicated the tariff structure, the lower chance that retailers will pass it on to customers.</p>
9	Solar export tariff	<p>NNSW explained that a solar export tariff is not for consideration in this TSS. There is a debate about whether an export tariff for people producing energy should be available, but it is for consideration in the longer term. Currently only asking for views – same with social tariffs.</p> <p>Environmental advocates noted that if the rationale is that the average load profile of solar customers is less favourable, then this will be taken care of by demand tariffs. Solar users will see an export tariff as another cost imposed on them.</p> <p>NNSW explained there are some costs on the network of exporting into the grid, and the question is whether there should be a separate charge for importing or exporting into the grid.</p> <p>Advocates disagreed with the assumption that solar is a cost to networks.</p>
10	Further consultation	It was confirmed that a further Roundtable on tariff options would be held in coming weeks, including discussion of the LRMC for each of the NSW network businesses, and that one-on-one discussions also were being scheduled with TSS stakeholders.

Phase Two: Networks NSW TSS Scenario Roundtable, Thursday October 15, 2015, 9am – 12.30pm

Participants:

- Bruno Coelho – Australian Energy Regulator
- Chris Barrett, City of Sydney Council
- Craig Memery – Alternative Technology Association
- David Havyatt – Energy Consumers Australia
- Iain Maitland – Ethnic Communities’ Council of NSW
- Mark Byrne – Total Environment Centre

- Ausgrid: Iftexhar Omar, Matt McQuarrie, Murray Chandler, Robert Telford
- Endeavour Energy: Jon Hocking, Daniel Bubb
- Networks NSW: Mike Martinson, Kate McCue, Catherine Hockley

- Adrian Kemp – HoustonKemp
- Wayne Burns – ACIL Allen Consulting
- Daniel Arias – ACIL Allen Consulting

This Roundtable was convened by Networks NSW following agreement with Consumer and Environment advocates and stakeholders to discuss the possible tariff structure scenarios and options for the network businesses in NSW.

The Group Manager, Regulation for Networks NSW made a presentation the Roundtable on distribution pricing rules, tariff structure options, and estimates of long run marginal costs (LRMC) and residual cost estimates, which were specific areas of enquiry among peak consumer and environment stakeholders.

Adrian Kemp from HoustonKemp Economics made a presentation to the Roundtable on the impact of new distribution pricing principles on network tariffs.

	Area of focus	Discourse and discussion
1	Stakeholder engagement – planned, and conducted to date	<p>Roundtable participants were briefed on the TSS stakeholder engagement to date conducted by Networks NSW, and engagement planned until early November 2015.</p> <p>Networks NSW was asked what engagement had occurred with SMEs. It was discussed that business groups, including representatives of SMEs, had been contacted to participate in consultation and engagement around the TSS proposals of each network business.</p>
2	Key issues for discussion	<p>Stakeholders were asked the issues they wanted addressed during the Roundtable. Stakeholders indicated that among the issues they would like to discuss included what Long Run Marginal Cost is across NSW and in each network business; the basis for forecasts of falling peak demand growth across NSW; how NNSW was approaching ensuring that its future tariff charges would be cost-reflective; what analysis NNSW has conducted on the customer impact of a declining block tariff and analysis of the impact of a demand tariff; the assumptions used NNSW to support its preference for a declining block tariff; the types of households that have been used in customer impact modelling; understanding the assumptions that low income households use more electricity compared to other customers in NSW; many customers – especially those from diverse cultural and language backgrounds – do not understand their electricity bills, and what they can do to minimise the cost of their bills; the ‘end game’ for efficient and cost reflective tariffs in NSW – what does the future look like?</p>
3	Discussion about regulatory rule changes	<p>There was considerable discussion about the regulatory pricing principles and what “efficient use of the network” means.</p> <p>There was discussion also about what price signals could effectively be sent via tariffs if retailers did not pass on those price signals to customers.</p> <p>Some stakeholders questioned how the network businesses could meet regulatory requirements that future tariffs be readily understood. Networks NSW responded that it would work with its customers, other stakeholders and retailers to continue to provide information to customers about the role of the network businesses, and how network charges, including tariffs, contribute to electricity bills.</p>

	Area of focus	Discourse and discussion
		<p>NNSW outlined the AEMC's rules that require that distributors structure tariffs on an efficient basis, and that variable charges must reflect long run marginal costs.</p> <p>NNSW stated also that under the rules, if there is available capacity, customers should not be discouraged from using existing network capacity. Some stakeholders disputed that this was the intention of the rules, and that a demand tariff, for instance, would meet the rules, and send a price signal to consumers about efficient use of electricity</p>
4	Transition to efficient tariffs	<p>NNSW indicated that the transition to efficient tariff pricing in NSW would be most effectively reached via a declining block tariff (DBT) for the 2017 – 2019 tariff period.</p> <p>NNSW stated a DBT would meet the AEMC rule requirements, and provide customers with considerable certainty about the cost of their electricity bills during the transition period, and shield most customers from 'bill shock'.</p> <p>There was considerable discussion as to customer preferences about tariff options. Some stakeholders indicated that many customers wanted to be able to manage their energy consumption and have efficient use of electricity reflected in their electricity bills, including customers generating their own electricity from solar generation, and that a declining block tariff would disadvantage them.</p> <p>NNSW Cited CSIRO behavioural economics research that concluded most customers preferred insulation from electricity 'bill shock' compared to more choice over electricity tariffs, which despite the information available about tariffs, were considered to be complex and confusing.</p> <p>It was discussed that time-based pricing in Victoria had resulted in bill shock for many customers not understanding fully peak, off peak and shoulder time charges.</p> <p>Some stakeholders flagged that a DBT was not sustainable in the long-term, and that the NSW network businesses would be "out of step" with other jurisdictions, if they did not move to offering customers sustainable tariff choices.</p> <p>NNSW responded by indicating that the absence of smart meter penetration in NSW meant being able to efficiently and economically offer a demand tariff for the next two year tariff period was not feasible. However, a demand tariff could be considered again for the post 2019 tariff period if smart meter penetration of other market conditions mean that offering a demand tariff was feasible, including meeting the regulatory rules.</p>
5	Tariff options	<p>It was discussed that given the tariff options available to the network businesses why they have a preference for a DBT.</p> <p>There was further discussion that NNSW analysis suggested that metrology in the State meant that time-based pricing and capacity or demand charges required interval or smart meters, and most customers across the State used basic accumulation meters.</p> <p>NNSW indicated also that a DBT aims to minimise pricing distortions by not pricing above LRMC at the highest, and arguably the most price sensitive, blocks for customers with basic accumulation meters.</p>

	Area of focus	Discourse and discussion
		<p>Some stakeholders suggested they perceived NSW had not fully considered customer impacts by preferring a DBT.</p> <p>One stakeholder representing customers generating electricity (including some customers exporting electricity to the grid) indicated a DBT would not be palatable to the people he represented.</p> <p>NSW indicated that to date, there had been little stakeholder support for a social tariff.</p> <p>There as discussion also about the economics and efficiency of NSW offering a regional or locational tariff. NSW responded that to date, there has been little stakeholder support for location tariffs; and given the paucity of data held by the network businesses on customer data compared to that held by retailers, modelling location tariffs would be highly problematic.</p> <p>NSW indicated it was not considering a solar export tariff.</p> <p>Essential Energy indicated it was analysing the feasibility of a food and fibre tariff, but that there were considerable problems with such a tariff, including if it would be affordable for primary producers, and if it would be taken up by many customers.</p> <p>NSW indicated that it has not been to model to date the impact of a DBT on specific customer groups, but had concluded that a DBT would have less impact on customers during the regulatory transition period than an inclining block tariff.</p>
6	Long Run Marginal Cost	<p>A long discussion was held as to how the network businesses in NSW estimated long run marginal cost, and how it applied those costs in its TSS analysis to date; this included the formula used by NSW to estimate LRMC.</p> <p>This discussion included the LRMC estimates for each of the network businesses based on draft cost estimates supplied by NSW. Some stakeholders indicated they wanted more information about how residual costs were allocated, and wanted to understand key capital expenditure and operational expenditure assumptions.</p>
6	Next steps	<p>Most stakeholders participating in the workshop indicated they remained strongly supportive of the NSW network businesses offering an opt-in demand tariff on the basis of offering choice to customers, and 'providing a path to future tariff options'.</p> <p>NSW</p>
7	Different customers with different needs – pricing and customer information	<p>Retailers asked whether customers with different needs should be priced the same. NSW CEO agreed with long term planning but doesn't want to create damage in the medium term. There followed a discussion about opt in smart metering, with retailers to educate customers. Retailers noted that quarterly meter reads made it harder for customers to make informed decisions.</p> <p>The participants discussed providing more information on the bills, to give customers more information, but some retailers noted that customers don't want an unbundled bill.</p>

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- David Havyatt – Energy Consumers Australia
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- Networks NSW: Mike Martinson, Kate McCue, Catherine Hockley
- Adrian Kemp – HoustonKemp
- Wayne Burns – ACIL Allen Consulting
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Adrian Kemp from HoustonKemp Economics made a presentation to the Roundtable on the impact of new distribution pricing principles on network tariffs.

	Area of focus	Discourse and discussion
1	Stakeholder engagement – planned, and conducted to date	<p>Roundtable participants were briefed on the TSS stakeholder engagement to date conducted by Networks NSW, and engagement planned until early November 2015.</p> <p>Networks NSW was asked what engagement had occurred with SMEs. It was discussed that business groups, including representatives of SMEs, had been contacted to participate in consultation and engagement around the TSS proposals of each network business.</p>
2	Key issues for discussion	<p>Stakeholders were asked the issues they wanted addressed during the Roundtable. Stakeholders indicated that among the issues they would like to discuss included what Long Run Marginal Cost is across NSW and in each network business; the basis for forecasts of falling peak demand growth across NSW; how NNSW was approaching ensuring that its future tariff charges would be cost-reflective; what analysis NNSW has conducted on the customer impact of a declining block tariff and analysis of the impact of a demand tariff; the assumptions used NNSW to support its preference for a declining block tariff; the types of households that have been used in customer impact modelling; understanding the assumptions that low income households use more electricity compared to other customers in NSW; many customers – especially those from diverse cultural and language backgrounds – do not understand their electricity bills, and what they can do to minimise the cost of their bills; the 'end game' for efficient and cost reflective tariffs in NSW – what does the future look like?</p>

	Area of focus	Discourse and discussion
3	Discussion about regulatory rule changes	<p>There was considerable discussion about the regulatory pricing principles and what “efficient use of the network” means.</p> <p>There was discussion also about what price signals could effectively be sent via tariffs if retailers did not pass on those price signals to customers.</p> <p>Some stakeholders questioned how the network businesses could meet regulatory requirements that future tariffs be readily understood. Networks NSW responded that it would work with its customers, other stakeholders and retailers to continue to provide information to customers about the role of the network businesses, and how network charges, including tariffs, contribute to electricity bills.</p> <p>NNSW outlined the AEMC’s rules that require that distributors structure tariffs on an efficient basis, and that variable charges must reflect long run marginal costs.</p> <p>NNSW stated also that under the rules, if there is available capacity, customers should not be discouraged from using existing network capacity. Some stakeholders disputed that this was the intention of the rules, and that a demand tariff, for instance, would meet the rules, and send a price signal to consumers about efficient use of electricity</p>
4	Transition to efficient tariffs	<p>NNSW indicated that the transition to efficient tariff pricing in NSW would be most effectively reached via a declining block tariff (DBT) for the 2017 – 2019 tariff period.</p> <p>NNSW stated a DBT would meet the AEMC rule requirements, and provide customers with considerable certainty about the cost of their electricity bills during the transition period, and shield most customers from ‘bill shock’.</p> <p>There was considerable discussion as to customer preferences about tariff options. Some stakeholders indicated that many customers wanted to be able to manage their energy consumption and have efficient use of electricity reflected in their electricity bills, including customers generating their own electricity from solar generation, and that a declining block tariff would disadvantage them.</p> <p>NNSW Cited CSIRO behavioural economics research that concluded most customers preferred insulation from electricity ‘bill shock’ compared to more choice over electricity tariffs, which despite the information available about tariffs, were considered to be complex and confusing.</p> <p>It was discussed that time-based pricing in Victoria had resulted in bill shock for many customers not understanding fully peak, off peak and shoulder time charges.</p> <p>Some stakeholders flagged that a DBT was not sustainable in the long-term, and that the NSW network businesses would be “out of step’ with other jurisdictions, if they did not move to offering customers sustainable tariff choices.</p> <p>NNSW responded by indicating that the absence of smart meter penetration in NSW meant being able to efficiently and economically offer a demand tariff for the next two year tariff period was not feasible. However, a demand tariff could be considered again for the post 2019 tariff period if smart meter penetration of other market conditions mean that offering a demand tariff was feasible, including meeting the regulatory rules.</p>

	Area of focus	Discourse and discussion
5	Tariff options	<p>It was discussed that given the tariff options available to the network businesses why they have a preference for a DBT.</p> <p>There was further discussion that NSW analysis suggested that metrology in the State meant that time-based pricing and capacity or demand charges required interval or smart meters, and most customers across the State used basic accumulation meters.</p> <p>NSW indicated also that a DBT aims to minimise pricing distortions by not pricing above LRMC at the highest, and arguably the most price sensitive, blocks for customers with basic accumulation meters.</p> <p>Some stakeholders suggested they perceived NSW had not fully considered customer impacts by preferring a DBT.</p> <p>One stakeholder representing customers generating electricity (including some customers exporting electricity to the grid) indicated a DBT would not be palatable to the people he represented.</p> <p>NSW indicated that to date, there had been little stakeholder support for a social tariff.</p> <p>There as discussion also about the economics and efficiency of NSW offering a regional or locational tariff. NSW responded that to date, there has been little stakeholder support for location tariffs; and given the paucity of data held by the network businesses on customer data compared to that held by retailers, modelling location tariffs would be highly problematic.</p> <p>NSW indicated it was not considering a solar export tariff.</p> <p>Essential Energy indicated it was analysing the feasibility of a food and fibre tariff, but that there were considerable problems with such a tariff, including if it would be affordable for primary producers, and if it would be taken up by many customers.</p> <p>NSW indicated that it has not been to model to date the impact of a DBT on specific customer groups, but had concluded that a DBT would have less impact on customers during the regulatory transition period than an inclining block tariff.</p>
6	Long Run Marginal Cost	<p>A long discussion was held as to how the network businesses in NSW estimated long run marginal cost, and how it applied those costs in its TSS analysis to date; this included the formula used by NSW to estimate LRMC.</p> <p>This discussion included the LRMC estimates for each of the network businesses based on draft cost estimates supplied by NSW. Some stakeholders indicated they wanted more information about how residual costs were allocated, and wanted to understand key capital expenditure and operational expenditure assumptions.</p>
6	Next steps	<p>Most stakeholders participating in the workshop indicated they remained strongly supportive of the NSW network businesses offering an opt-in demand tariff on the basis of offering choice to customers, and 'providing a path to future tariff options'.</p>

	Area of focus	Discourse and discussion
		NNSW
7	Different customers with different needs – pricing and customer information	<p>Retailers asked whether customers with different needs should be priced the same. NNSW CEO agreed with long term planning but doesn't want to create damage in the medium term. There followed a discussion about opt in smart metering, with retailers to educate customers. Retailers noted that quarterly meter reads made it harder for customers to make informed decisions.</p> <p>The participants discussed providing more information on the bills, to give customers more information, but some retailers noted that customers don't want an unbundled bill.</p>

Phase Two: Networks NSW Final Tariff Structure Proposals Stakeholder Roundtable on the data and technical underpinnings of tariff structure options, Friday October 30, 9.00am to 4.00pm

Participants

- Chris Barrett - City of Sydney Council
- Oliver Derum – Public Interest Advocacy Centre
- Chris Dodds – Office of the Energy and Water Ombudsman
- David Havyatt – Energy Consumers Australia
- Iain Maitland – Ethnic Communities' Council of NSW
- Craig Memery –Alternative Technology Association
- Shannon Moffitt – Australian Energy Regulator
- Catherine Waddell – Essential Energy
- Robert Telford, Ausgrid
- Daniel Bubb – Endeavour Energy
- Jon Hocking – Endeavour Energy
- Mike Martinson – Networks NSW
- Kate McCue – Networks NSW
- Wayne Burns – ACIL Allen Consulting
- Oliver Nunn – HoustonKemp Consulting

The table summarises the main areas of discussion during the Roundtable. Robert Telford from Ausgrid delivered a presentation on Ausgrid's tariff environment, and the regulatory rules in which network businesses need to approach and frame their TSS.

NNSW indicated that the closing date for accepting written submissions on its Issues Paper released in September has been extended to November 4.

Presentations were delivered by Catherine Waddell from Essential Energy and Daniel Bubb from Endeavour Energy on the LRMC and other tariff issues for those network businesses.

NNSW indicated that the closing date for accepting written submissions on its Issues Paper released in September has been extended to November 4.

	Area of focus	Discourse and discussion
1	Stakeholder issues	What methodologies have been used to support the existing preference by the NSW network businesses for a declining block tariff?

	Area of focus	Discourse and discussion
		<p>What supports the premise that more use of network capacity is a good outcome for consumers?</p> <p>What work has been done to support a supposition that disadvantaged customers use less electricity?</p> <p>What will be the impact of the DBT on vulnerable customers, especially given what EWON reports is record high number of electricity supply disconnections.</p> <p>What analysis supports that increasing network utilisation will realise a fall in network costs?</p> <p>If LRMC are low, why is a DBT being considered for Essential Energy?</p> <p>Why isn't there a plan by the network businesses to introduce smart metering in NSW?</p> <p>The "short-termism" of the tariff structure period is of a concern. What is the view of the network businesses of what is a 'long-term' approach?</p> <p>To what extent have SMEs been consulted as part of the TSS consultation?</p> <p>Is a demand tariff part of the long-term deliberations of the NSW network businesses?</p>
2	Stakeholder Consultation	<p>It was discussed that the stakeholder consultation process in the future can be strengthened by reporting back sooner to stakeholders about the proceedings of the previous open consultation Roundtables. NNSW indicated it will distribute summaries of all the Stakeholder Roundtables, and that the outputs of all Roundtables and person-to-person TSS interviews with stakeholders have been part of TSS deliberations in each of the NNSW network businesses.</p> <p>Some stakeholders expressed concern that consumer representatives could express support for one tariff over another if they did not have enough information to inform their deliberations. NNSW indicated its TSS Issues Paper was a platform around which considerable Phase Two stakeholder engagement has been occurring; and that NNSW has provided also written answers to specific questions from stakeholders, as well as provided special briefings for peak stakeholder groups who have requested them.</p> <p>NNSW indicated also that it has been conducting one-on-one interviews with priority TSS stakeholders to see their input into network business TSS decisions, has had its public consultation portal open for TSS community input for more than one month, and has been using the outputs from five previous Stakeholder Roundtables in TSS deliberations.</p>
3	Tariff design	<p>Ausgrid outlined how that network business approached tariff design, and the economic foundations and assumptions underpinning tariff design. There was considerable discussions about the economic assumptions used by Ausgrid.</p> <p>Reform options were canvassed, including the definition of seasonal peak periods, location-based time signals.</p>

	Area of focus	Discourse and discussion
		<p>There was discussion as to how the financial impact customers who would be most adversely affected by tariff structure changes could be mitigated, including the role of public policy, electricity retailers, as well as the role of network businesses.</p> <p>The network businesses indicated that a DBT needs to be considered as part of transitional arrangement towards efficient tariff pricing.</p>
4	Demand tariff	<p>The network businesses indicated the design of a demand tariff is problematic in the absence of smart metering, and the challenge of designing incentives to encourage low peak use customers to a demand tariff.</p> <p>NNSW indicated also – though this was disputed by one stakeholder – that the absence of smart meters in NSW meant that in the 2017 – 2019 tariff transition period, a demand tariff was not viable to facilitate transition to efficient pricing.</p> <p>NNSW flagged that NSW Government policy was that smart meter introduction would be “market driven”. It was discussed that this would most likely be driven by competition among retailers to offer tariff choices.</p> <p>Some stakeholders held strong views that a demand tariff could not be feasibly introduced with only 300,000 smart meter customers in NSW; other stakeholders disagreed.</p> <p>The NSW network businesses indicated they had no plans to introduce metering in NSW, and suggested the experience of smart metering in Victoria suggested a market-led roll-out - which was likely to occur- would be more efficient and fit-for-purpose.</p> <p>NNSW discussed that a demand tariff would be considered as part of the next tariff structure deliberations.</p>
5	Impact of tariff structures on customers	<p>Some stakeholders flagged that they were concerned that NNSW has not considered adequately the impact of a DBT on customers, including that some vulnerable customers use high levels of electricity.</p>
6	Long Run Marginal Cost	<p>There was discussion also about how residual network costs were apportioned as part of LRM, including the overall approach as to how Ausgrid determined LRM.</p> <p>The challenges of average incremental cost methodology were canvassed, as was the theory that marginal cost being a function of network circumstance and price elasticity of demand.</p> <p>The treatment of replacement capital expenditure in an inefficient tariff context was flagged.</p> <p>There was discussion of Endeavour Energy offering a number of opt-in tariffs, but that more than 99 per cent of residential customers are charged via a DBT; of how Endeavour Energy converts LRM to prices; and that for DBT customers, the LRM is the same price per kilowatt hour over the first three blocks (separate from the fixed price).</p> <p>Essential Energy indicated it has a time of use tariff, and is taking action to explain to customers how that tariff may be able to save them money.</p>

	Area of focus	Discourse and discussion
		<p>Essential Energy indicated also that it is considering a food and fibre tariff, but is awaiting feedback from stakeholders on what the take up of a cost reflective tariff would be.</p> <p>Some stakeholder offered their view that the NSW network businesses and NNSW have placed too much emphasis on LRMC in their approach to discussion about TSS, including in the NNSW TSS Issues Paper.</p> <p>It was canvassed also if NNSW and its businesses would be prepared to engage with the AEMC around LRMC.</p>
7	Transition to the most efficient use of the network	Stakeholders indicated they remain keen to understand what the 'end point' is for the NSW network businesses in their transition to price reflective and efficient tariff structures. NNSW indicated it would clarify further the direction of the transition of tariffs in its TSS proposals.

Essential Energy engagement with local government and other local entities.

The Australian Energy Regulator has previously set price levels and structures for street lighting.

However, Essential Energy invited feedback from the 98 local government areas in its service footprint about street lighting pricing structures. As of November 5, Albury and Cabonne local government areas had provided responses to the NNSW Issues Paper, with their responses focused on the cost of street lighting.

We also invited chambers of commerce and utilities in our operational area to participate in TSS consultation. The organisations that responded as of November 4, 2015, are listed in Table 12.

Other entities responding to Essential Energy invitations to consult — Utilities and Chambers of Commerce

Engaged member	Organisation	Response/feedback as of Nov 4, 2015
Richard Lutze	Alstonville Chamber of Commerce	Responded on 1 October with query regarding rooftop solar panels.
Ann Luke	Gunnedah Chamber of Commerce	Responded on 2 October and is happy to have been engaged and will liaise with committee to collate responses.
Graeme Watkins	Midcoast Water	Provided detailed response on 28 September, 2015 outlining concerns and interests of Midcoast Water.
Source: ACIL Allen Consulting, 2015		

Have Your Say online portal

Networks NSW developed public consultation site on the NSW Government Have Your Say online portal to see public feedback, comment and submissions on its TSS Issues Paper.

The portal was promoted via a Networks NSW media release and campaign, the website of each network business.

A summary of the comments and submissions lodged via the Have Your Say portal are summarised in the following table.

Table. 13 NSW Government have your say web portal

Submissions made to the Have Your Say web portal	Organisations and individuals lodging comments or submissions	Key themes extracted from Have Your Say web portal.
Networks NSW received 23 submissions via the NSW Government 'Have Your Say' community consultation web portal.	Greg Leadbetter from Alliance Network Infrastructure	<p>Declining Block Tariff (DBT):</p> <p>Concern was expressed that a DBT doesn't encourage households to reduce electricity consumption.</p> <p>Some stakeholders voiced concern that the DBT penalises community members who are low energy consumers.</p>
Say' community consultation web portal. The first submissions were received on October 1 and the final submission was received on October 30 The submissions were received from individuals and organisations	<p>Michael from Ecocern</p> <p>Manthos Papadopoulos Guy Hallowes</p> <p>Sally Page</p> <p>Terry Power</p> <p>Luke Preston</p> <p>Errol Elliot</p> <p>Heather Anderson</p> <p>Deborah Bushell Katherine Howard</p> <p>Dr Catherine Dale from Eurobodalla Shire Council</p> <p>David Hughes from Essential Energy Rural Advisory Group</p> <p>Antonia Frank</p> <p>Namoi Dougall from Southern Sydney Regional Organisation of Councils - submission on behalf of 35 Councils participating in the SSRoc Street Lighting Improvement Program.</p> <p>Amber Rodd from Albury City Council</p> <p>Chris Dalitzs former President of the Electric</p>	<p>Posited that DBT is detrimental to solar customers.</p> <p>Inclining Block Tariff (IBT): Support of IBT as believed to reward low energy use and energy efficiency</p> <p>Demand tariff: Believed to be good for business customers</p> <p>Social Tariff: There is support for social tariffs however the complexity of correctly awarding such a tariff, it is believed by some, should be the responsibility of government.</p> <p>Some believe that vulnerable customers need to have greater support.</p> <p>Solar Tariff: Opposition to any charges or tariffs for customers who generate or store electricity. Opposed to a tariff for recovery of network costs for customers that export electricity to the grid for other customers' consumption.</p> <p>Some stakeholders expressed concern about perceived disincentives for customers who install solar power, battery storage or electric vehicles.</p> <p>Opposition to charging those who energy generated by themselves to the grid</p> <p>Support for solar generation expressed. Posited that Solar PV has shown to drive down the cost of electricity for consumers by helping to manage peak demand events.</p> <p>Stated that no evidence is provided to support the assertion of a net cost of solar to the electricity network</p>

Submissions made to the Have Your Say web portal	Organisations and individuals lodging comments or submissions	Key themes extracted from Have Your Say web portal.
	<p>Energy Society of Australia.</p> <p>Alec Roberts from CLEANaS</p> <p>John Mikelsons from NCOSS</p> <p>Adam Clarke</p> <p>Stefanie Schultze from NSW Irrigators' Council and Cotton Australia (CA)</p> <p>Mark Byrne, Total Environment Centre, also representing Solar Citizens</p> <p>Sean Greenup from Origin</p> <p>Adam White</p>	<p>Time of Use Tariffs (TOU):</p> <p>A lack of smart meters in NSW has been raised as an issue of concern, preventing consumer's ability to achieve greater flexibility.</p> <p>Accelerating the deployment of smart meter technology is encouraged.</p> <p>Some stakeholders believe that the NSW government should play a greater role in implementing the use of smart meters. Other stakeholders have asked why retailers do not offer smart metering.</p> <p>Support has been expressed for such tariffs if smart meters were in use.</p> <p>TOU tariffs considered not to be of use to small business operators who generally operate in peak/shoulder periods.</p> <p>Support for TOU as believed to be effective in reducing electricity use which helps electricity providers meet their principal objectives under the Energy Services Corporation Act.</p> <p>Regional Pricing:</p> <p>The adoption of such a tariff has received little interest beyond its sector.</p> <p>Primarily viewed as best left to government to determine subsidisation.</p> <p>Information Asymmetry:</p> <p>Concern was raised around tariff structure complexity and the difficulties customers have in understanding tariff structure statements and the importance of minimising this in future.</p> <p>Could be improved and could prevent bill shock</p>

Table 14. Stakeholders invited to various Phase Two engagement modes who were unable to participate

Stakeholder	Organisation	Engagement
Patricia Forsythe	Sydney Business Chamber	Approached for initial interview
Steven Dimovski	Origin Energy	Invited to Retailers Roundtable
Glenn Jones	Sanctuary Energy	Invited to Retailers Roundtable
Melanie Donelson	AGL	Invited to Retailers Roundtable
Jennifer Gimbert	AGL	Invited to Retailers Roundtable
Stefanie Macri	Lumo Energy	Invited to Retailers Roundtable
Ben Thomas	GoEnergy	Invited to Retailers Roundtable
Bill van der Linden	Progressive Green	Invited to Retailers Roundtable
Christopher Reilly	Stanwell	Invited to Retailers Roundtable
Damien Herd	Qenergy	Invited to Retailers Roundtable
David McNeil	Click Energy	Invited to Retailers Roundtable
James Norton	Win Energy	Invited to Retailers Roundtable
Jayden Harrod	Momentum Energy	Invited to Retailers Roundtable
Michael Lamer	Stanwell	Invited to Retailers Roundtable
Pankaj Mankani	Infingen Energy	Invited to Retailers Roundtable
Paul Grzinic	Aurora Energy	Invited to Retailers Roundtable
Stephen White	Diamond Energy	Invited to Retailers Roundtable
Stuart Auld	COzero Energy Retail	Invited to Retailers Roundtable
Tom Colbatch	Macquarie Bank	Invited to Retailers Roundtable
Beth Corcoran	COVAU	Invited to Retailers Roundtable
Fiona Simon	ERM Power	Invited to Retailers Roundtable
Heather Hall	Next Business Energy	Invited to Retailers Roundtable
Lauren Kennedy	ActewAGL Retail	Invited to Retailers Roundtable
Naomi Feast	Blue NRG	Invited to Retailers Roundtable
Philip Firth	Lower Namoi Cotton Growers' Association	Invited to Food & Fibre Roundtable
Mandy Gilmour	Lower Namoi Cotton Growers' Association	Invited to Food & Fibre Roundtable
Kerry Duncan	Macquarie Cotton Growers Association	Invited to Food & Fibre Roundtable
Kate Smoiski	Nature Conservation Council of NSW	Environment and Consumer Advocates Roundtable
Elena Katrakis	Carers NSW	Invited to one-to-one interview
Hugo Harmstoff	IPART	Invited to one-to-one interview
Matt Brand	NSW Farmers Association	Invited to one-to-one interview
Rosemary Sinclair	Energy Consumers Australia	Invited to one-to-one interview
Phillip Barresi	Energy Users Association of Australia	Invited to one-to-one interview
Suzie Mathews	The Office of the Small Business Commissioner	Invited to one-to-one interview
Sue King	Anglicare	Invited to one-to-one interview
Tracy Howe	NCOSS	Invited to one-to-one interview
Murray Johnson	The Office of the Small Business Commissioner	Invited to one-to-one interview
Alan Kirkland	Australian Consumers Association (CHOICE)	Invited to one-to-one interview
Source: ACIL Allen Consulting, 2015.		