



PowerWater

## August People's Panels – Panel Decisions and Outcomes

# Purpose of the August People's Panels

Leveraging the outcomes from the March and April People's Panels in Alice Springs and Darwin, Power and Water reconvened panellists to:

- Provide an overview of the Draft Plan and what it means for our customers
- Test customer preferences and priorities from the previous Panels following release of the Draft Plan.
- Discuss and get feedback on proposed changes to tariffs.



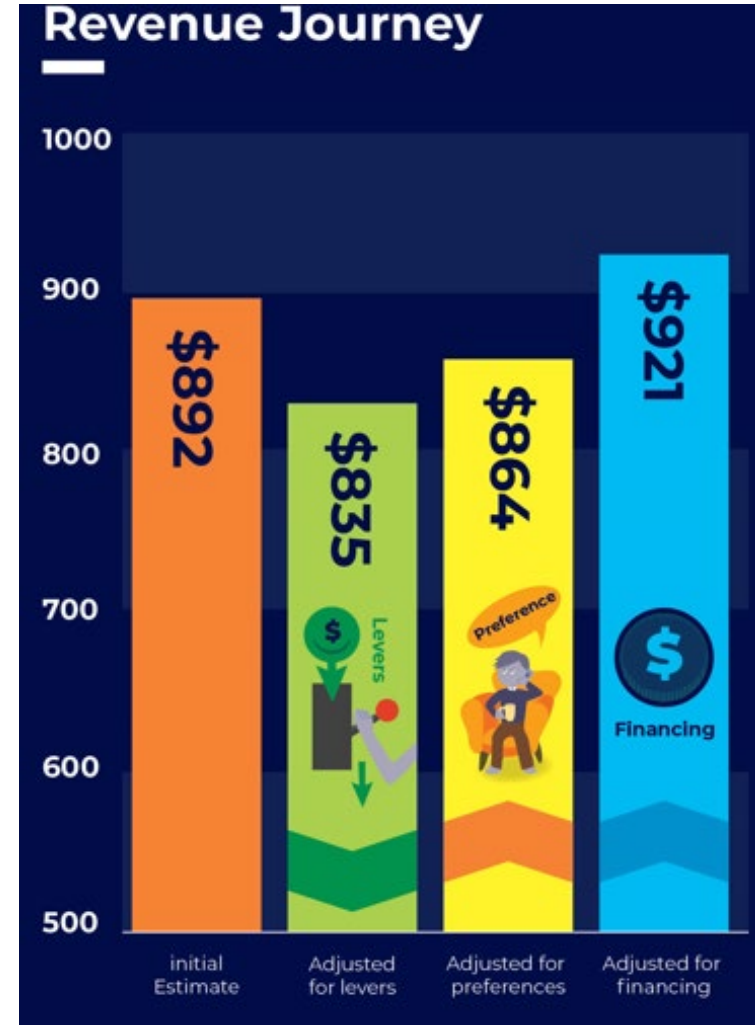
# Re-testing customer preferences on revenue direction

Following the People's Panels in March and April 2022, the revenue forecast for the 2024-2029 regulatory period was adjusted for the levers and preferences voted on by panellists.

As a result of the impact of financing costs, panellists were shown that the revenue forecast was significantly higher than anticipated in our previous sessions.

The objective of the August sessions was to understand panellists' appetite to use various levers to reduce the revenue impact on customers and how to manage the impacts of future technologies in the network. The clear output from the Panels was the need for:

***Smarter, more efficient solutions which support the community now and into the future.***

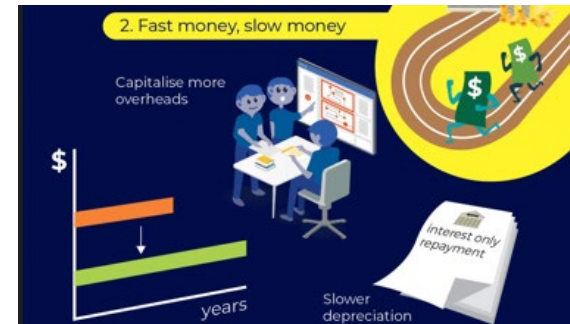
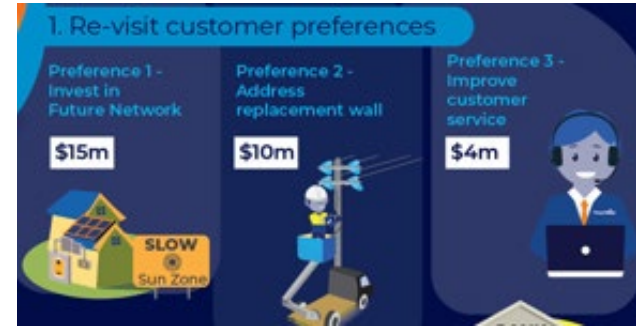


# Levers to reduce revenue

We sought feedback from customers on the right balance between pursuing short-term affordability and long-term sustainability.

We identified levers that could reduce our revenue in the 2024-29 regulatory period such as de-scoping programs that reflected customer priorities, using accounting methods to push revenue to future periods, and cutting back on programs.

The general view of the panellists was that Power and Water needs to think long-term, but have a detailed look at where revenue could be cut back in the 2024-29 period. This included potentially slower paced investment in new technologies, and re-consideration of programs that may bring forward investment.

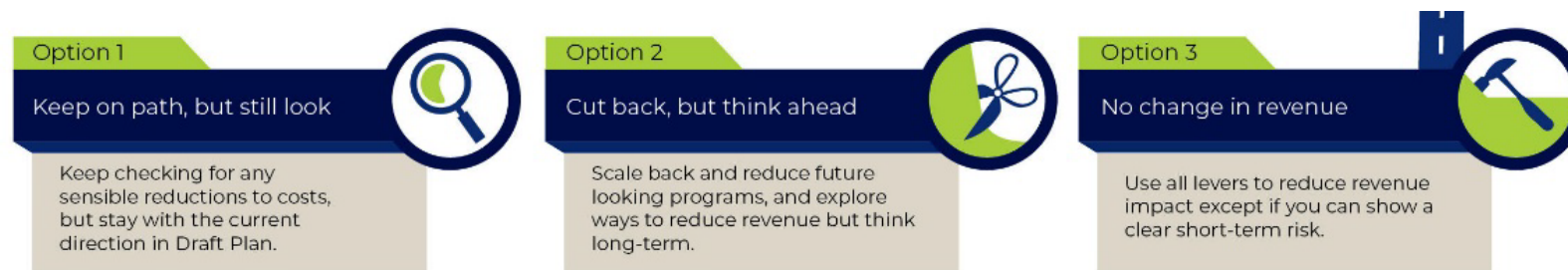




# Options: Levers to reduce revenue

Panellists were directly asked whether Power and Water should pursue more levers and avenues to lower revenue. There was strong preference to consider **some** levers and explore ways to reduce investment in programs to lower revenue for the 2024-29 period, with a need to:

- *“Think and look ahead to the **future**”*
- *“Not consider **one solution for all of the Territory**, instead pilot to make sure it is right for the network area and uses the right technology solution”*
- *“**Adapt** to the global situation, be self-sufficient and **proactive** in investment”*
- *“**Plan** and think about the long-term reliability of the network”*



There was strong interest to pursue either Option 1 or 2 or a combination

# Future Network

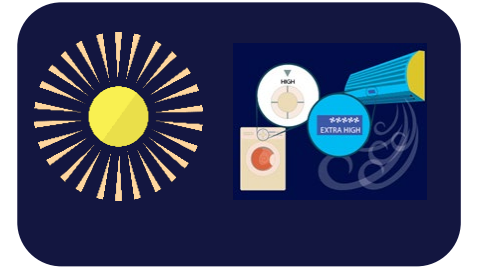
We sought specific stakeholder feedback on our proposed implementation of a customer preference relating to investing in a network that can facilitate increasing renewables.

Using a role play to show the use of a dynamic speed limits solution, panellists were able to understand the complexities involved in planning for the future low carbon network. Craig Chambers from Engevity also provided further insight into the future direction and network strategy of the NT and answered panellist questions.

Many panellists were satisfied with the progress from the previous session. However, there was an emphasis on Power and Water implementing solutions at a more gradual pace to improve learning. This included pilots in technologies which were not proven.



# Protecting low-income households: Energy efficiency



Our panellists have been very clear in previous sessions that they want Power and Water to consider the impact of our decisions on low income households. The Northern Territory has a high proportion of the population receiving income support.

In this session, we identified that a key driver of high energy bills for low income households was limited ability to reduce energy. Generally, households lived in poorly insulated housing and had less capacity to invest in appliances that can reduce energy consumption. Additionally, the NT has one of the highest annual energy consumption per customer rates in Australia.

In this session, panellists were asked to vote on the level of involvement Power and Water should take to support everyday and disadvantaged customers to reduce their energy consumption and electricity bill by undertaking and seeking energy efficiency measures. Both Panels believed:

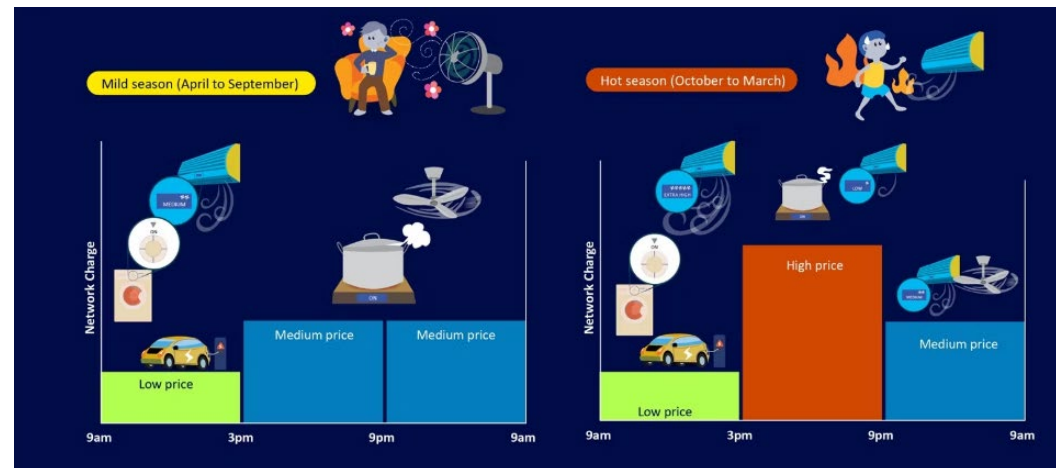
***At a minimum, Power and Water needs to provide more information and awareness in terms of energy efficiency of appliances to make more informed decisions.***

There was also strong support for Power and Water to partner with other players in the market to enhance energy efficiency standards and undertake initiatives, as well as Power and Water implementing their own initiatives to support demand management.

# Time-of-Use pricing

There was a difference in perspectives in Darwin and Alice Springs on the proposed concept of charging **higher rates** during the **evening peak period** to disincentivise network use when demand is higher and **lower rates** during the **day** to incentivise network use when there is greater supply. Panellists suggested Power and Water needed to:

- Provide sufficient **information** and **education** for consumers to change their behaviours and be able to make **informed decisions**
- Consider **safety nets** for those who are **disadvantaged** or who cannot fully utilise the lower prices during the day
- Undertake a **gradual transition** to implement the pricing changes, as well as only apply a **marginal difference in price**
- Assume a role **beyond applying the time-of-use pricing** to assist a change in behaviour e.g., providing fridge magnets to encourage network use during specific periods of the day
- **Plan for the future without disadvantaging those using the network today.**





# Export pricing

Panellists generally understood the need for export tariffs and rebates to allow the network to better manage flows of electricity on the low voltage network. Panellists generally supported some changes to our Draft Plan:

- *The export charge should apply when **exports are highest**. According to the Darwin-Katherine Electricity System Plan, this is between **10am – 2pm**.*
- *Applying a export charge could **penalise solar energy production**, which could disincentivise uptake of solar. This means the export charge should be not too punitive (**between 10-50% of the feed in tariff**) to encourage solar uptake while also managing exports.*
- *There is a need to **maintain the solar uptake rate for the overall community benefit** by providing incentives for customers to join up with our dynamic speed limit solution to better control solar (including no longer being subject to an export tariff) and replace older systems.*

