



PowerWater

# October 2023 People's Panels – Outcomes Summary

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# Power and Water's People's Panels

- Power and Water are the essential service provider in the Northern Territory (NT), providing electricity, gas, water and sewerage services to Territory households and businesses.
- Every 5 years we submit our future electricity plans to our regulator, the Australian Energy Regulator (AER). These plans are forward-thinking while seeking to maintain affordability of prices.
- To support the development of our plans for the 2024-2029 period, we brought together a group of customer representatives from the Darwin-Katherine, Tennant Creek and Alice Springs' networks over several sessions beginning in November 2021.
- The purpose of the group, known as our People's Panel, is to test and challenge the proposed forecasted expenditure for regulated electricity services for the 2024-2029 regulatory control period. It is important to Power and Water and the People's Panel that prices are cost reflective to support a sustainable future.





# Purpose of the October 2023 People's Panels

- The October People's Panels were convened for the **sixth** time to prepare for the 2024-2029 period.
- In September 2023, the AER released its Draft Decision on Power and Water's Initial Regulatory Proposal submitted in January 2023.
- The objectives of the October Panel was to **consult** with and **involve** panellists by:
  - ❖ *Providing a summary of the AER's draft decisions to Power and Water's Initial Regulatory Proposal*
  - ❖ *Seeking panellist views on our Revised Regulatory Proposal response to the AER's Draft Decision*
  - ❖ *Testing panellist views on the direction and speed of key investments.*



# Attendance at the October 2023 People's Panels



- The October Panels were held in-person in Alice Springs and Darwin with approximately 8-10 participants at each location and included representation from the Darwin, Alice Springs and Katherine networks. The panellists representing the Tennant Creek network were unable to attend and were subsequently consulted through 1-on-1 engagement sessions.
- At the Alice Springs Panel, our Chief Executive Officer (CEO), Djuna Pollard, attended virtually to welcome participants and participate in a Q&A session.
- Additionally, the Panels were attended by several Power and Water Senior Managers and Executives. This included the Executive Manager for Core Operations, Michael Besselink, at the Alice Springs Panel and the Executive Manager for Power Services, Belinda Small, at the Darwin Panel.
- We also had observers from the Consumer Challenge Panel (CCP) attend both sessions.

# The outstanding issues from our prior People's Panels

- The People's Panels have been actively engaged since November 2021 and involved in co-designing Power and Water's Regulatory Proposal.
- During the October People's Panel, we held a 'Parking Lot' activity to ensure panellists felt they were being listened to and provide an opportunity to identify any outstanding issues from previous Panel consultations.
- The post-it notes below reflect the identified issues, however most of the issues were addressed on the day.

Transparency on the smart meter roll-out in Alice Springs

Pursuing pop-up shops – communication, information and panellist representation

Transparency and accountability of where and on what Power and Water spends money

More information about Power and Water's plans for renewables

Promoting generational buy-in to the future of electricity in the Territory

How money is going back into the local communities and what support is provided to remote communities

# What is the role of our People's Panels

- Panellists also participated in a 'speed dating' session to discuss what they have enjoyed about being a Panel member and why they keep coming back.
- The participants then collaborated on creating a statement describing their role as a People's Panel. These are displayed below.

## ***Alice Springs:***

*A strategic voice representing and championing the views and opinions of customers across the Northern Territory. We have a role in advocating for the needs of customers and for Power and Water's regulatory priorities, we are a driver of change and we keep Power and Water accountable.*

## ***Darwin:***

*An advocacy group both for Power and Water and the community, providing generational representation and a valued voice on Power and Water's plans for the future Northern Territory networks.*

## ***Tennant Creek:***

*Keeping Power and Water accountable by ensuring no-one is being taken advantage of and the regulatory processes are being followed. We are learning about what customers are getting out of Power and Water's investments and how Power and Water ensures transparency with their plans.*



# Investing in a renewable energy future



- The AER's Draft Decision identified 3 areas of the future networks program which needed more work before approval: **unlocking large-scale renewables** on the Darwin-Katherine network, our **resourcing of the future network team** and **unlocking small-scale renewables**.
- Various tools were used at the People's Panels to demonstrate the value of these investments:
  - ❖ A **role play activity** with participants undertaking roles in different electricity network scenarios to explain the need to invest in unlocking renewable generation in the Darwin-Katherine network.
  - ❖ An **animation** to demonstrate how we currently do not have the resources needed to manage the changes in the future networks area, including planning and maintaining renewables.
  - ❖ A **poster and placemat** to understand panellists' views towards the pace to implement technologies, known as Dynamic Operating Envelopes (DOEs), which manage solar export from rooftops to the network.

# The panellists' direction on the renewable future

## Large-scale renewables

- Darwin panellists strongly agreed with unlocking large-scale generation, citing stability, reliability and future affordability as reasons for their support.
- The views of the Alice Springs and Tennant Creek Panels were similar, supporting investing now which could save customers money and identify potential issues earlier. Some panellists wanted more information about the project when available.



## Future Networks team resourcing

- Panellists representing all networks agreed with a need to increase the capacity of the future networks team to deliver longer-term tangible solutions and help drive new ideas.
- Customers also explained that Power and Water should consider multi-skilling employees from other areas and incentivise apprentices to be more involved.



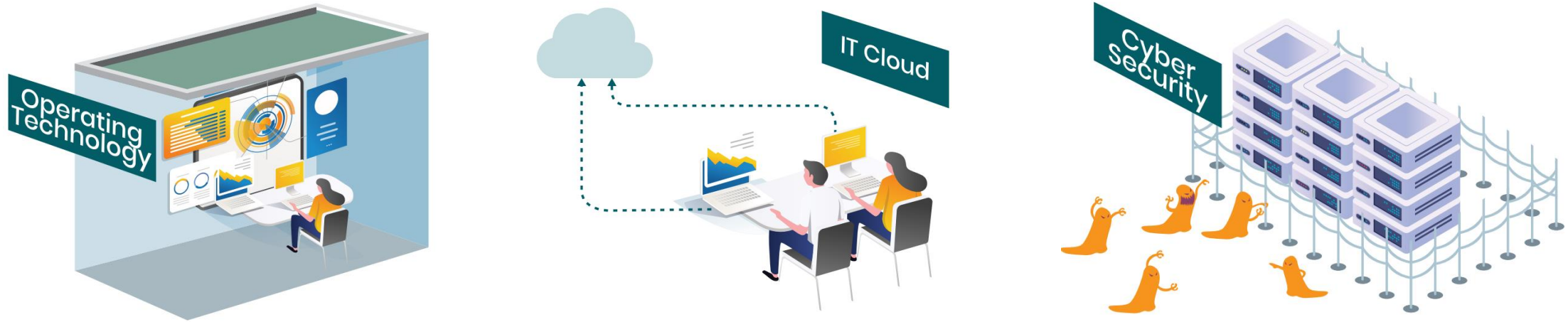
## Small-scale renewables

- There were mixed views about the pace of DOE roll-out – some panellists believed going slower as per AER direction would allow Power and Water to learn from others and critique the system, while others expressed that technological change often outpaces planning and going slower could mean missing out.





# Our non-network expenditure



- We spoke with our panellists about our Information Communication & Technology (ICT) program at the last two Panels.
- During the October People's Panel, we ran 3 'market stalls' – Operating Technology, IT Cloud and Cyber security – where customers 'visited' Power and Water employees who explained to customers the project need, our initial investment approach and how we plan to refine the scope of the project based on stakeholder feedback.
- Customers showed strong support for these 3 investments and recognised the benefits to both customers and Power and Water, including easier outage and issue response rate, greater security of information and cost savings from migrating to cloud storage.
- Many also recognised that ICT is a key enabler of unlocking renewables and expressed support to drive this project.

# Our smart meter program

- The roll-out of smart meters across Australia is rapidly increasing to take advantage of potential savings in costs and enable greater renewable generation.
- In October, we explained that the AER considered our pace of smart meter roll-out was reasonable, however suggested that Power and Water investigate whether a more accelerated rate of replacement should be pursued in our Revised Regulatory Proposal.
- During the October Panels, we proposed 2 options:
  1. Proceed with the proposed rate of replacement in the Regulatory Proposal which would complete the roll-out program across the NT by **June 2034**. This would cost a customer approximately 34 cents per day.
  2. Pursue an accelerated rate which would be in-line with the current rate of replacement and complete the program across the NT by **June 2029**. This would cost a customer approximately 36 cents per day.
- Most panellists supported Option 2, recognising the benefits of greater accuracy in billing and retailer choice and explaining that:
  - ❖ *Remote meter reading would reduce the inconvenience associated with the meter reading process.*
  - ❖ *Most customers would notice the benefits more than the increase in costs.*
  - ❖ *Continuing with the current pace is beneficial but Power and Water should ensure contingencies are in place if this target is not reached.*
  - ❖ *Power and Water should ensure there is sufficient cyber security in place before rolling out smart meters across the Territory to prevent theft of data.*

# Consolidating our Darwin staff



- We have engaged with our customers in previous Panel sessions about our plans to consolidate Darwin corporate employees from the Wood Street and Mitchell Street buildings into 1 site.
- At the October Panels, we explained to participants the AER's Draft Decision not to accept our plans regarding consolidating staff and presenting our proposed response.
- Our CEO, Djuna Pollard, attended the Alice Springs Panel to explain the importance of the project in this regulatory period, including how the benefits exceed the associated costs.
- The panellists agreed with the principle and identified the benefits of the project. Panellists also showed support for owning a building rather than leasing multiple sites. However, many also requested more information at subsequent sessions to see the development of the project over time.



# Feedback and next steps

- Our next People's Panels is scheduled for **May 2024** following the release of the AER's Final Decision.
- This session will be focused on explaining and informing the panellists about the key themes from the AER's Final Decision.
- Following the May Panel, we will explore how this group could be expanded to undertake a broader role in testing Power and Water's future plans.
- We have thoroughly enjoyed the journey so far and are keen to continue ensuring our customers are actively involved in the future of electricity in the NT through future Panels.

