

## Acquittal Report

This Report will be provided to the Board.

<b>PROJECT OVERVIEW</b>			
<b>Grant no :</b>	AP724	<b>Date of progress report</b>	16/09/2016
<b>Grant recipient</b>	South Australian Council of Social Service		
<b>Project title</b>	Network Tariffs Master Class – A Lamplight for Consumers		
<b>PROJECT OUTCOMES : outline the project outcomes during the reporting period</b>			
<b>Describe the intended project outcome/s, and whether they were met. Where the outcomes were different from those proposed in the grant application, explain the reasons for the variation</b>			
<p>All of the agreed project outcomes were met:</p> <ul style="list-style-type: none"> <li>• Active participation in the master class from a diverse range of consumer advocates including those who represent low-income and disadvantaged households (Appendix B);</li> <li>• Delivering an agenda that presents a diverse and relevant range of topics and speakers on tariff design structures, regulatory mechanisms, consumer engagement and protections (Appendix A);</li> <li>• Providing opportunities for participants to network, share knowledge and test their concerns (Appendix A);</li> <li>• Analysis and reporting of formal feedback from participants (Appendix C);</li> <li>• A completed scoping exercise with six experienced energy consumer advocates which maps their knowledge base (Appendix D) and,</li> <li>• A positive evaluation from the six* experienced energy consumer advocates that measures the benefits of the master class for their ongoing work programs (Appendix D). (*Due to unexpected circumstances, where one consumer of the six experienced advocates advised they could not attend the master class the day before the event, an evaluation was conducted of an additional advocate but only measured the experience post the event).</li> </ul>			
<b>PROJECT OUTPUTS: list the main outputs during the reporting period</b>			
<b>Outline the project outputs. Where the outputs were different from those proposed in the grant application, explain the reasons for the variation.</b>			

- Complete a scoping exercise with six experienced energy consumer advocates to map their knowledge base and hone the master class agenda (Appendix D);
- Secure relevant and knowledgeable speakers to present at the master class (Appendix A);
- Secure delegate participation from consumer advocate groups nation-wide that represent a cross-section of the community (Appendix B);
- Host a 1 day workshop that will cover a variety of topics and speakers relevant to the tariff/consumer context (Appendix A);
- Garner and analyse formal feedback from participants on the effectiveness of the master class (Appendix C) and,
- A positive evaluation from the six\* experienced energy consumer advocates that measures the benefits of the master class for their ongoing work programs (Appendix D). (\*Due to unexpected circumstances, where one consumer of the six experienced advocates advised they could not attend the master class the day before the event, an evaluation was conducted of an additional advocate but only measured the experience post the event).

**Please provide an assessment of the project’s effectiveness – did the project meet its key success indicators?**

The objectives of this master class were to:

1. Expand consumer knowledge of electricity pricing structures with a specific focus on cost-reflective network pricing;
2. Attempt to advance the knowledge and understanding of senior consumer advocates on distribution network tariff structures and the implications of these for consumers and,
3. Inform consumer advocates about current and future distribution network tariff structures and provide the opportunity for advocates to test any concerns that may arise during the master class sessions.

All objectives were achieved and this is supported by the analysis of the feedback provided by participants. A summary of this is as follows:

Objective 1:

The master class was a tightly focused opportunity for consumer advocates to engage with the Tariff reform agenda (Appendix A). An increase in consumer knowledge was demonstrated by 100% of delegates agreeing their knowledge and understanding of network tariffs was increased by participating in the master class (Appendix C). Participants rated the sessions relating to cost-reflective network pricing (tariff structures and tariff options) favourably (Appendix C & D).

Objective 2:

100% of senior consumer advocates agreed their knowledge and understanding of network tariffs was increased by participating in the master class (Appendix D). 100% of these participants also reported the sessions relating directly to tariff structures and design were relevant to their work programs (Appendix D). During the last session of the day consumer advocates were able to identify and articulate their concerns regarding jurisdictional tariff statement structure processes (Appendix E).

Objective 3:

The master class agenda delivered specific sessions on tariff structures, where current and future structures were discussed (Appendix A). These agenda sessions were constructed to enable participants to ask questions and discuss their concerns with industry experts. Participants rated the interactive discussions as a valued aspect of the master class (Appendix C). The last session (key themes) was specifically designed for advocates to discuss jurisdictional concerns and this session was rated favourably by participants (Appendix C & D).

**Do you have any other comments on the project?**

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**Do you have any comments/feedback on the Panel's procedures?**

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**Please list any attachments to the report (reports, submissions, media releases, etc) – please identify any that should not be posted on the website.**

Appendix A: Agenda  
Appendix B: List of participating organisations  
Appendix C: Analysis of participant feedback  
Appendix D: Evaluation of scoping exercise  
Appendix E: Key themes identified  
Appendix F: Financial Report

***PROJECT EXPENDITURE***

**The Funding Agreement (clause 3.3) requires you to provide a detailed breakdown of the costs and expenses associated with the grant – attach that to this report.**

## Appendix A:

# NETWORK TARIFFS MASTER CLASS: A Lamplight for Consumers AGENDA

Date: Friday, 10<sup>th</sup> July 2015

Venue: Adelaide Pavilion, Cnr South Terrace and Peacock Road, Adelaide

TIME	SESSION TITLE	FOCUS	PRESENTER/NOTES
8:30 – 9:00	Registration and Coffee		
9:00 – 9:15	Welcome from SACOSS		Jo De Silva, Senior Policy Officer
9:15 – 9:45	Setting the Scene 1: Jurisdictional updates	Overview of key issues from each jurisdiction	Update from one representative per jurisdiction
9:45 – 10:30	Setting the scene 2: Distribution Network Pricing Rule Change	Overview of the rule change and how the new consumer impact principle will shape consumer engagement in the Tariff Structure Statement process	John Pierce, Chairman AEMC
<b>10:30 – 10:45</b>	<b><i>Morning Tea</i></b>		
10:45 – 11:45	Tariff structures and metering	Common tariff designs and relationship to metering	Gavin Dufty, St Vincent de Paul Society, Victoria
11:45 – 12:45	Tariff design and consumer engagement	What will the process for consumer engagement look like?	Benjy Lee, Jemena
<b>12:45 – 1:30</b>	<b><i>Lunch</i></b>		
1:30 – 2:30	Tariff options	Exploration of current tariff designs from Victoria and SA	Peter Bucki, Australian Gas Networks Kiera Poustie, United Energy
2:30 – 3:30	Making the transition to a new tariff structure	What are the consumer protections, including those for vulnerable consumers that need to be considered in transitioning to new tariff regimes?	Facilitated discussion led by Dean Lombard, Victorian Council of Social Service
<b>3:30 – 4:00</b>	<b><i>Afternoon tea</i></b>		
4:00 – 5:00	Key themes	What key themes from today have you identified for your jurisdiction?	Facilitated discussion

## Appendix B:

### Organisations participating in the Tariffs Master Class

<b>ACT</b>
ACT Council of Social Service
Council on the Ageing ACT
<b>New South Wales</b>
Total Environment Centre
<b>Queensland</b>
Council on the Ageing Queensland
Queensland Consumers Association
Queensland Council of Social Service
MS Queensland
<b>South Australia</b>
Central Irrigators Trust
Consumers' SA
South Australian Council of Social Service
South Australian Financial Counsellors Association
Uniting Communities
Uniting Care Wesley (Bowden and Country SA)
<b>Tasmania</b>
Anglicare Tasmania
Tasmanian Council of Social Service
<b>Victoria</b>
Alternative Technology Association
Brotherhood of St Laurence
Consumer Action Law Centre
Consumer Utilities Advocacy Centre
Kildonan Uniting Care
Northern Alliance for Greenhouse Action
St Vincent de Paul Society
Victorian Council of Social Service

## Appendix C: Network Tariffs Master Class Feedback Form Evaluation

### Participant responses on what was highly valued about the master class experience

Response	Percentage
Content was educational	41%
Interactive discussions	32%
Easy access to information	27%
Content was balanced	23%
Learning from peers	14%
Opportunity to ask questions	14%
Diversity of participants	5%
Diversity of speakers	5%
Ideas on best practice for consumer engagement	5%
Networking with state and national colleagues	5%
Venue	5%

100% of delegates surveyed agreed their knowledge and understanding of network tariffs was increased/ developed by participating in the master class. Topics identified as particular useful were:

- Tariff design and options
- Future tariffs
- Key issues to consider when engaging in advocacy for the tariff setting processes
- Learning from other jurisdictional experiences

### Participant responses rating individual aspects of the master class (rating out of 10)

Aspect	Average
Setting the Scene 1	7.5
Setting the Scene 2	6.1
Tariff structures and metering	8.1
Tariff design and consumer engagement	7.5
Tariff options	7.6
Making the transition to a new tariff structure	7.5
Key themes	8.0

Catering	8.0
Venue	9.0
Facilitator	9.0

**Some participant quotes on the master class experience**

- This session will help me in my interactions with the distribution business in coming months
- Well worth attending
- It was very informative, feel better prepared to explain to my constituency

## Appendix D: Evaluation of the scoping exercise

### Consumer advocates knowledge base and the master class agenda

100% of delegates agreed their knowledge and understanding of network tariffs was increased by participating in the master class. Topics identified as particular useful were:

- Jurisdictional experiences
- Non-technical aspects of tariff design (i.e. marketing)
- Tariff structures and the relationship with metering
- Key themes identified by other participants

### Relevance of topics to participant work programs

Topic	Relevancy percentage
Setting the scene 1	100%
Setting the scene 2	100%
Tariff structures and metering	100%
Tariff design and consumer engagement	100%
Tariff options	83%
Making the transition to a new tariff structure	83%
Key themes	83%

### Some participant quotes on the master class experience

- Good selection of speakers and format for the day
- Well timed event given where the TSS is at
- Really helpful. Raised as many questions as it answered - but they are good questions to be raised
- The tariff options session prompted questions to pose to QLD networks
- Great insights provided by knowledgeable people during the key themes session



## Appendix E:

### Key Themes Identified from the SACOSS Network Tariffs Master Class

#### Group 1: SA & Vic

Information consumer advocates need from the distribution businesses (DB's).

SA:

- An invitation from DB to participate
- Genuine engagement from DB
- SAPN should raise a meeting on their own with consumers rather than using consultant/survey
- Tailor to specific groups
- Respect diversity
- Positive approach
- Cultural interest, not box ticking
- Show modelling of impact on groups
- Provide the data including assumptions in modelling
- More transparency generally
- What impact does energy storage and new technology have?

Concerns consumer advocates have re: the Tariff Statement Structure processes in their regions?

SA

- Metering and implementation i.e. moving house etc
- Vulnerable people who can't shift their load, already being frugal, what about them?
- What about the average person? Already hard to understand
- Bills and info already complicated and will only become more so
- Trust – where there is a history of avoiding engagement
- Groups aren't resourced enough to engage

Victoria

- Singular focus on tariffs as only solution to peak demand
- Five networks and limited consumer resources
- Impacts of EE & DG programs especially solar for low incomes
- Uncertainty about future tariffs
- Political intervention
- Interpretation of vulnerable

#### Group 2: NSW & QLD

Information consumer advocates need from the distribution businesses (DB's).

- Load profiles (community, business & individual)
- Meter types in the DB area
- Do DB's want to:
  - Change behaviour?
  - Make tariffs more cost reflective?
- How new tariffs will be introduced

- What DB proposed tariffs will look like
- What are the options for cost-reflective tariffs for vulnerable customers?
- How are long-run marginal costs going to be costed?
- How will DB's recover residual costs?
- True cost of service:
  - Per customer class/size
  - Cost basis
- What do DB's know about promoting behavioural change?
  - Trialling
  - Research

Concerns consumer advocates have re: the Tariff Statement Structure processes in their regions?

- Demand 'peaks' don't match actual network peak
- Intersection of concession system & demand
- Retailers – how new network tariffs will be aligned with retail tariff, will shape be passed through?
- Low level of consultation in NSW
- How will uniform tariff policy in QLD intersect with different new network tariffs? i.e Ergon, Energex
- Rule not clear enough to discourage higher fixed charges
- Vulnerable consumers with medical conditions requiring high demand will be disadvantaged – need for % rebate
- Question whether new tariffs will be compulsory or optional
- Metering costs for smart meters

### **Group 3:**

Information consumer advocates need from the distribution businesses (DB's).

- Are injections included?
- Simulation tools made available to provide information
- What is the DB's evidence, for making decision/proposal?
- How does the DB reallocate costs – current v future
  - Consumption
  - Household types etc
- Who are the winners and losers and by how much?
  - How much per season?
- Availability of in-home displays/portals, real time feedback, text messaging
- Moving forward – replacing accumulation meters, need to re-wire, how will this be managed?
- Talk to customers re: what are DB's going to put through to customers
  - What are the retailers saying?
- How are DB's going to deal with disadvantaged consumers, including who has been disadvantaged by changes and the demographics of these groups
  - Transition
  - Education

Concerns consumer advocates have re: the Tariff Statement Structure processes in their regions?

- Complexity of tariffs (potentially)
  - Without information, low income clients may default to least effective plan
- Complementary measures need to be in place
  - NECF (eg. information on bill)
  - Concession
- Flexibility of 'pick-up'/ choices for network retailers

**Group 4:**

Information consumer advocates need from the distribution businesses (DB's).

- Meter data
  - Vic smart meters – mosaic Citipower/PowerCor
  - Energex trial – due September
  - Individual data (outliers)
  - Energex study – 1,000 connections, proposed
- Attach to demographic info
- Communications material
- Calculators – appliance costs, combo's

Concerns consumer advocates have re: the Tariff Statement Structure processes in their regions?

- Knee-jerk reactions – media
- Politics
- Retail outcomes different
- Timing with other reforms, retail competition
- Public acceptance – communication
- 'social good' message required
- Make electricity more affordable