bd infrastructure

Ausgrid Regulatory Proposal Workshops

Outcomes Report | March – May 2021

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Introductory Overview

From March – May 2021, Ausgrid hosted two workshops to collaborate with its Customer Consultative Committee (CCC) on the design of its engagement approach with consumers, for the 2024-29 regulatory reset and business-as-usual decision making.

The first step in developing this engagement approach – and the focus of these workshops – was the design of 'stream 1'; Ausgrid's approach to engaging consumer advocates. Once stream 1 is established, Ausgrid will then work with the advocates in this stream to determine the design of 'stream 2'; the approach to end-customer engagement.

In the first workshop, on Wednesday 24 March 2021, Ausgrid worked with the CCC to set the final assessment criteria for deciding on the best stream 1 model, explore the ramifications of engagement scope for the model and propose possible models.

Following this session, Ausgrid prepared revised criteria and a draft stream 1 model and committee functions to test with the CCC.

In the second workshop, on Thursday 6 May 2021, Ausgrid again worked with the CCC to understand the degree of CCC support for the proposed model and committee functions, including any priority changes that would help grow their support

This Outcomes Report provides a summary of the context and outputs of each workshop. Ausgrid will use these outputs to inform the final stream 1 model and Terms of Reference, which will be circulated to the CCC for comment. Ausgrid will then work to recruit members to the CCC and new Reset Customer Panel (RCP).

Workshop #1 Context

Workshop purpose

In this first workshop, on Wednesday 24 March 2021, Ausgrid worked with the CCC to set the final assessment criteria for deciding on the best stream 1 model, explore the ramifications of engagement scope for the model and propose possible models.

Attendees

In attendance were:

- **Rob Amphlett Lewis,** Chief Customer Officer (Ausgrid)
- **Alex McPherson**, Head of Regulation (Ausgrid)
- **John Skinner**, Regulatory Policy Manager (Ausgrid)
- **Selina O'Connor**, Stakeholder Relations Manager (Ausgrid)
- **Clare Buckingham**, Channel Management Lead (Ausgrid)
- **Julie Delvecchio**, Head of Corporate Affairs and Sustainability (Ausgrid)
- **Junayd Hollis**, Executive General Manager, Asset Management (Ausgrid)
- **Mike Swanston**, Customer Advocate (CCC)
- **Louise Benjamin**, Customer Advocate (CCC)
- **Helen Sloan**, Southern Sydney Regional Organisation of Councils (CCC)
- **Mark Grenning**, Energy Users Association Australia (CCC)
- **Gavin Dufty**, St Vincent's de Paul Society (CCC)
- **Iain Maitland**, Ethnic Communities Council NSW (CCC)
- **Pete Newman**, Council on the Ageing NSW (CCC)
- **Miyuru Ediriweera**, Public Interest Advocacy Centre (CCC)
- **Adam Young**, Australian Energy Regulator
- **Rachel Fox**, bd Infrastructure (Facilitator)
- **Scott Newton**, Gauge Consulting (Facilitator)

Agenda and process

Following an introduction from Ausgrid, the workshop focused on three key items:

1. Setting final assessment criteria for deciding on the best stream 1 model
2. Exploring the ramifications of engagement scope on the stream 1 model
3. Proposing possible approaches to the stream 1 model

Each item began with a short presentation from Ausgrid (Appendices 1). The workshop then utilised Microsoft Teams and digital collaboration tool GroupMap to facilitate discussions with both in-person and online attendees. The raw outputs of the GroupMap can be found at Appendices 2.

Next steps

The GroupMap outputs and additional notes from the workshop discussions are summarised in the remainder of this brief report. Ausgrid will utilise these outputs in the development of a final stream 1 model to test with the CCC.

Workshop #1 Outputs

Assessment Criteria

Draft Criteria

Ausgrid presented draft criteria for assessing potential Stream 1 models, which the CCC reviewed and refined. The draft criteria – shown below – was informed by the Consumer Challenge Panel Sub-Panel CCP17 report, the Public Interest Advocate Centre's Evaluation of Consumer Engagement, Ausgrid's engagement principles and the December 2020 workshop with the CCC.

Figure 1: Draft Criteria

CCC Feedback

Attendees' feedback on the criteria is summarised below:

Criteria	Feedback
General feedback	• Reframe criteria to read as commitments to consumers • Missing following criteria: ○ *"Builds trust in Ausgrid"* – The model should build consumers' and the AER's trust in Ausgrid, including by linking to Ausgrid's DNA, addressing power imbalances, focusing on outcomes and extending beyond regulatory proposals

	o *"Prioritises customer outcomes that customers value"* – The engagement agenda should be jointly set with consumers upfront to ensure it is focused on issues most important to them
	o *"Contributes to Ausgrid's long-term strategy"* – Engagement should be part of the 'infrastructure' of the company, avoid the same discussions every proposal and cycle and extend to Ausgrid's business narrative
Allow for a **genuine partnership** when designing and assessing options and solutions	• Reframe the criterion to focus on 'collaboration' rather than the vaguer term 'genuine partnership • Different topics or parts of the process will require different levels of engagement, though 'collaboration' should be achieved overall • Care should be taken to the language used and the commitment it brings, with the intended level of engagement clearly articulated at each stage • Set realistic engagement expectations (i.e. with a clear scope and business narrative)
Facilitates provision of **independent advice**	• Independent advice requires access – by the group – to the required resources to source advice on their own behalf. This should include (i) an appropriate mix of skills in the group, (ii) resources for the group (e.g. Chair, other funding) and (iii) access to independent advice when required (e.g. freedom to engage stakeholders, access to Executive and Board) • Demonstrating independence would likely require an independent report or similar from engagement parties on their perception of the process
Can facilitate discussion on a **broad** range of topics, when allowing for in **depth** consideration of issues when needed	• Ausgrid should first engage with consumers to work together to set the engagement agenda • This will require developing capacity for time-constrained consumers to engage at an appropriate level, including by considering technicality of issues • Engagement methods should be tailored per topic
Enables a **diversity of customer views** to influence our thinking	• Different modes of engagement will be required for each tropic and/or consumer to enable engagement • Robust data should be captured to demonstrate diverse input • Care should be taken to ensure views are genuinely representative
Enables a high level of **business engagement**	• Frame this as a clear commitment
Is **cost-effective** and simple	• Effectiveness of the process should be prioritised over its 'cost-effectiveness' • We should recognise the value of all parties' resources and ensure they are not exhausted (e.g. through the appropriate level of sponsored participation) • Detail needed on what 'simple' means (e.g. transparent, clear, capable of applying KPIs) • Avoid reinventing the wheel by leveraging the investment made by Ausgrid and committee members in the existing committee structure

Revised Criteria

bd Infrastructure and Gauge Consulting propose the following revised summary criteria, taking the CCC feedback into account:

- Allows for overall collaborative approach
- Facilitates independence with support to achieve this
- Builds trust in Ausgrid
- Facilitates breadth and depth with support to build capacity
- Supports joint agenda-setting to prioritise what customers value
- Commits senior Ausgrid Executive and Board involvement
- Enables diverse views through tailored engagement
- Is effective and values everyone's resources and expertise
- Contributes to Ausgrid's long-term strategy

Engagement Scope

Draft Scope

Ausgrid presented a range of topics that might form the basis of the scope for future consumer engagement (pictured below). Participants were asked to comment on the topics presented and consider how engagement scope might affect the design of the stream 1 model.
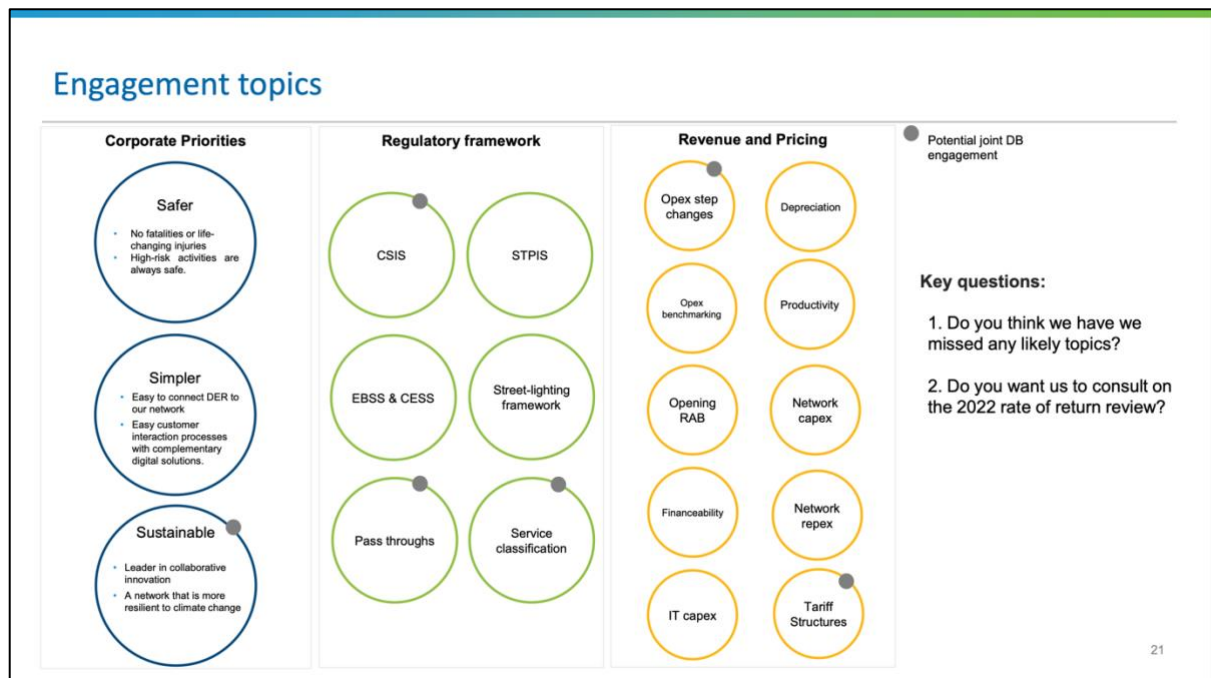

Figure 2: Draft Scope

CCC Feedback

Attendees' feedback and thoughts on the engagement scope are summarised below:

Key theme	Summary
Consumer-centric approach to defining and prioritising topics	- Ausgrid should first engage with consumers to work together to set the engagement agenda - Once consumer priorities are understood, these should form the basis (and the context) for specific topic selection - Topics should be 'packaged up' to enable consumer exploration of trade-offs (e.g. broad view of risk or resilience)
Match depth and engagement approach with interest and importance	- Match level of detail with level of interest or importance - Design engagement to match - Ensure support and expert advice to enable necessary 'depth' of discussion
Build in flexibility to adapt to emerging and important topics	- Build a 'social ecosystem' that enables simultaneous conversations on different topics - Avoid Stream 1 representatives becoming gatekeepers – consumers should be able to self-select to engage on issues important to them at a given time - Education or advice may be required to generate consumer interest in topics that affect them
Ensure needs of all customer segments are considered	- Use direct representation or other methods to ensure all customer segments considered, including large users, small business, regional business, COVID and natural disaster-affected customers, ASPs, Councils, different household segments and any others who have not yet been heard - Balance need for wider representation with the benefits of an 'efficient' group size - Establish ongoing feedback loops
Specific topics could include	- System context – providing a wider industry transition perspective to give context to the world Ausgrid and its customers are going to operate in (e.g. transmission, whole-of-system value, avoiding paying twice) - Sustainability – not just environmental but also corporate/social/community, political and financial - Customer education on energy - Rule changes and impacts (i.e. 6.1.4) - Electronic vehicles and charging systems issues - Risk appetite and approach to risk (i.e. what and how much are Ausgrid/consumers willing to bear) - Cybersecurity risks - Non-network solutions and what role they play - Innovation (i.e. next piece following community batteries)

Proposed Models

Presented models

Participants worked in three small groups to present potential stream 1 models to the group for comment. The key features of each model are summarised below.

Group 1: Building on What We Have

This group proposed a Stream 1 model that built on the good work of the existing CCC and its sub-committees and working group, adjusting the Terms of Reference for each body as needed to cover the new scope. This acknowledges that the current structure is already seeking to embed customer preferences into Ausgrid's business planning.

Key characteristics of the proposed model include:

- *Broadening membership***:** They suggested refreshing the membership to ensure major customer segments are represented, potentially increasing representation on the CCC to 12-15 people.

- *Strengthening independence***:** Greater independence and freedom to act, including with payment for all participation, would afford the CCC a greater opportunity to influence business-as-usual investment decisions. This might be achieved through a regulatory reset subgroup, drawn from the CCC, though independence of such a group (from Ausgrid and the CCC) would be critical.

Group 2: Facilitating Stream 2 Engagement

This group emphasised the role a Stream 1 body would play in facilitating best practice Stream 2 engagement. Rather than acting as sole, authoritative experts, Stream 1 representatives would consult with different stakeholder groups as part of Stream 2, to set the agenda and present consumer views to Ausgrid.

Key characteristics of the proposed model include:

- *Separate from the CCC:* The body would be separate from the CCC, drawing from the membership of the committee and sub-committees/working group, as well as other subject matter experts as required

- *Consulting to set agenda***:** Stream 1 members would establish potential engagement topics and consult Stream 2 to determine topics, breadth and depth, including by building Stream 2 understanding and interest on important topics

- *Resources and access for team of five:* Support from Ausgrid for independent chair, secretarial support, sitting fees for approximately five members and funding for commissioning independent views; access to senior Executive and Board

- *Shared accountability:* Ausgrid would be accountable to clearly explaining how and why it has/has not taken views into account while Stream 1 would be accountable to both Ausgrid and Stream 2, preparing one report after the initial proposal and another following the revised proposal

The model's relationship and engagement with CCP and AER would need to be determined. It would likely play a 'challenging' role to Ausgrid's proposal in the absence of a CCP function.

Group 3: Push / Pull Approach

This group's model was built on the expectation that consumer interests and level of expertise vary greatly. It proposed an easily accessible model that, if well publicised, will enable broad consumer input, with consumers 'pushing in' or 'pulling out' as desired. A body at the 'centre' of the model would help maintain order and connect with consumers at the 'outer rings'.

Key characteristics of the proposed model include:

- *Fluid approach to engagement membership and depth*: The model enables consumers to elect when they wish to more deeply engage with a topic. Information and engagement approaches would be tailored for each 'layer', with more focused and targeted engagement of those at the 'centre'

- *Outward information flows*: Ausgrid and highly engaged consumers would disseminate information outward to less engaged consumers to encourage engagement on important topics

- *Organic resilience:* The model enables membership and depth of engagement to adjust as consumer needs change (e.g. in response to crisis).
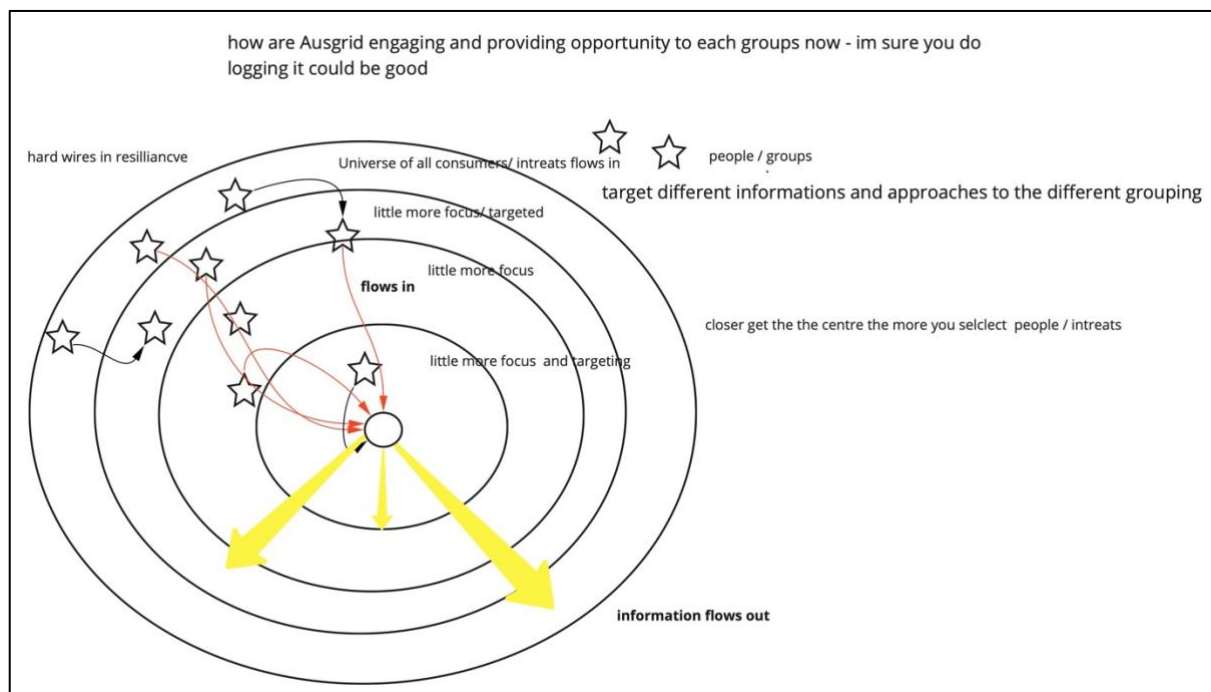

Figure 3: Group 3 illustrative model

Potential consolidation of models

Following presentation of the models, participant suggested that the three may co-exist in one stream 1 model. bd Infrastructure and Gauge Consulting propose that this may be achieved by building on the membership of the existing CCC model to establish an independent and well-resourced central consumer body that works to engage a broad range of consumers (stream 2) at a time and in a manner that suits those consumers and on the topics that they care about most. Such a model would 'build on what we have' and 'facilitate stream 2 engagement' within the framework of the 'push / pull approach'.

Workshop #1 Evaluation

Evaluating genuineness

Of the three CCC members who completed the post-workshop evaluative survey, all rated the 'genuineness' of Ausgrid's approach at a 4 or 5 out of 5. Accompanying comments included that Ausgrid was delivering on its promise of co-design, that people were genuinely interested, listening to each other and keen to do well.

How genuine do you feel Ausgrid's approach has been to engaging on the Stream 1 model?
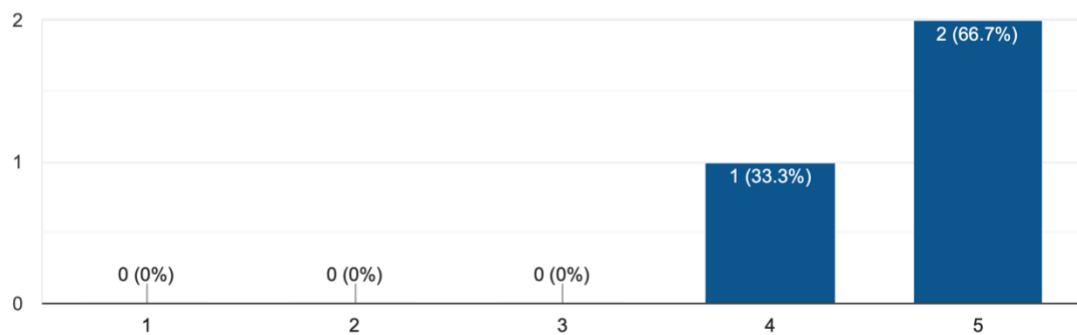
3 responses

Figure 4: Workshop #1 evaluative survey results

Successes and improvements

Respondents praised the workshop for its flow and good, accessible use of a hybrid model and small group work. The background preparation and discussions were also appreciated, as was the range of views represented in the room.

It was suggested that the longest session of the workshop could have been shorter; that the CEO or the Board should be represented at the next session; and that it would be beneficial if Ausgrid shared their iteration on the Stream 1 design ahead of the next session to prime participants.

Workshop #2 Context

Workshop purpose

In the second workshop, on Thursday 6 May 2021, Ausgrid again worked with the CCC to understand the degree of CCC support for the proposed model and committee functions, including any priority changes that would help grow their support.

Attendees

In attendance were:

- **Richard Gross**, Chief Executive Officer (Ausgrid)
- **Rob Amphlett Lewis,** Chief Customer Officer (Ausgrid)
- **Alex McPherson**, Head of Regulation (Ausgrid)
- **John Skinner**, Regulatory Policy Manager (Ausgrid)
- **Selina O'Connor**, Stakeholder Relations Manager (Ausgrid)
- **Clare Buckingham**, Channel Management Lead (Ausgrid)
- **Julie Delvecchio**, Head of Corporate Affairs and Sustainability (Ausgrid)
- **Karthik Venkataraman,** Head of Customer and Partner Experience (Ausgrid)
- **Mike Swanston**, Customer Advocate (CCC)
- **Louise Benjamin**, Customer Advocate (CCC)
- **Helen Sloan**, Southern Sydney Regional Organisation of Councils (CCC)
- **Mark Grenning**, Energy Users Association Australia (CCC)
- **Gavin Dufty**, St Vincent's de Paul Society (CCC)
- **Iain Maitland**, Ethnic Communities Council NSW (CCC)
- **Pete Newman**, Council on the Ageing NSW (CCC)
- **Miyuru Ediriweera**, Public Interest Advocacy Centre (CCC)
- **Mark Byrne,** Total Environment Centre (CCC)
- **Adam Young**, Australian Energy Regulator
- **Rachel Fox**, bd Infrastructure (Facilitator)
- **Scott Newton**, Gauge Consulting (Facilitator)

Agenda and process

The workshop began with a presentation (Appendices 3), by Ausgrid, of the revised assessment criteria and the proposed model and committee functions in response to these criteria.

Participants then reviewed the model and committee functions further in small groups before coming together to discuss, with Ausgrid, their questions and critiques. During this discussion, the CCC flagged a number of considerations they wished to see incorporated into the final model and Terms of Reference for each committee.

Following this discussion, participants indicated on a 5-point scale how supportive they were of the model and committee functions, provided Ausgrid incorporated the flagged items.

The workshop utilised Microsoft Teams and digital collaboration tool GroupMap to facilitate these discussions with both in-person and online attendees. The raw outputs of the GroupMap can be found at Appendices 4.

Next steps

The GroupMap outputs and additional notes from the workshop discussions are summarised in the remainder of this brief report. Ausgrid will utilise these outputs in the development of the final stream 1 model and Terms of Reference, which will be circulated once more to the CCC.

Workshop #2 Outputs

Questions and critiques

Key themes

The following key themes emerged from GroupMap and discussions as the CCC asked clarifying questions and offered critiques of the draft model and committee functions.

Theme	Description
Defining success and reviewing the process at key checkpoints	• Add more to model and committee functions on the outcomes the RCP will aim to achieve • Strengthen the current commitment to explaining "how [consumer] views and preferences have been considered" to a commitment to "take into account and act on these views and preferences" to the maximum extent possible • Implement a robust evaluative mechanism with 'checkpoints' from the start through to post-proposal to enable tracking of Ausgrid, CCC, RCP, AER and broader consumer satisfaction with process and to facilitate adjustments as needed
Separating process and outcome to enable RCP independence	• Have the RCP (i) co-design the engagement process and (ii) report on how well they believe the engagement outputs have influenced the revenue proposal • The RCP should not audit its own co-designed engagement process, nor will it have a final say on the content of the revenue proposal • Ausgrid to provide further clarity around the steps that would be taken if the RCP reported that Ausgrid's regulatory proposal diverges from consumers' views
Funding the commissioning of research and engagement	• Ausgrid to provide the RCP with a budget for relevant research and engagement that is sufficient to deliver on the model's commitment to genuine collaboration • This budget will be managed by the RCP • Confirm approach for sustaining stream 2 engagement design and operation post-regulatory reset (e.g. RCP handing over operation and relationships to CCC)
Supporting diverse input and push/pull membership	• While the core 5 to 7-person RCP membership will likely be too small to represent the full diversity of Ausgrid's consumers, it will be tasked with co-designing engagement to generate diverse consumer interest and input • This will include designing a mechanism for consumers to 'push in' and 'pull out', becoming more or less engaged in specific topics, as they wish • Consider opening up the RCP core membership to those outside the CCC to enable a broader pool of talent and perspectives

Strengthening the committees' and subcommittees' relationships	• Work with the newly formed CCC and RCP to prepare an Operational Charter or similar, providing the CCC with confidence in the RCP's approach and the RCP with sufficient autonomy to contact relevant Ausgrid staff as needed • Support common membership across the RCP and PWG • Strengthen the communication methods within and between the committees to enable advocates to remain updated and supported to contribute
Transparent reporting and relationship with the AER	• Have the RCP prepare internal reports for the CCC and Ausgrid for consideration in the development of the proposal, as well as external reports for the AER and the public in response to Ausgrid's proposal (initial and revised) • Invite the AER to participate in and/or observe the work of the RCP • Work with the RCP to establish a digital public presence to support transparent reporting and/or ongoing push/pull engagement • Confirm timeframes for reporting and how they will feed into – and enable iteration in – Ausgrid's and AER's processes

Support for model and committee functions

Level of satisfaction

As seen below, participants plotted their level of satisfaction with the model and committee functions, provided Ausgrid incorporated the themes flagged above. Generally, participants praised the process to arrive at the draft model, as well as its innovative approach to enabling independence and the consideration of diverse consumer interests. They suggested that their satisfaction with the model would ultimately depend on how it performs and adapts when implemented, including how well it is resourced and what mechanisms it uses to gather stream 2 input.
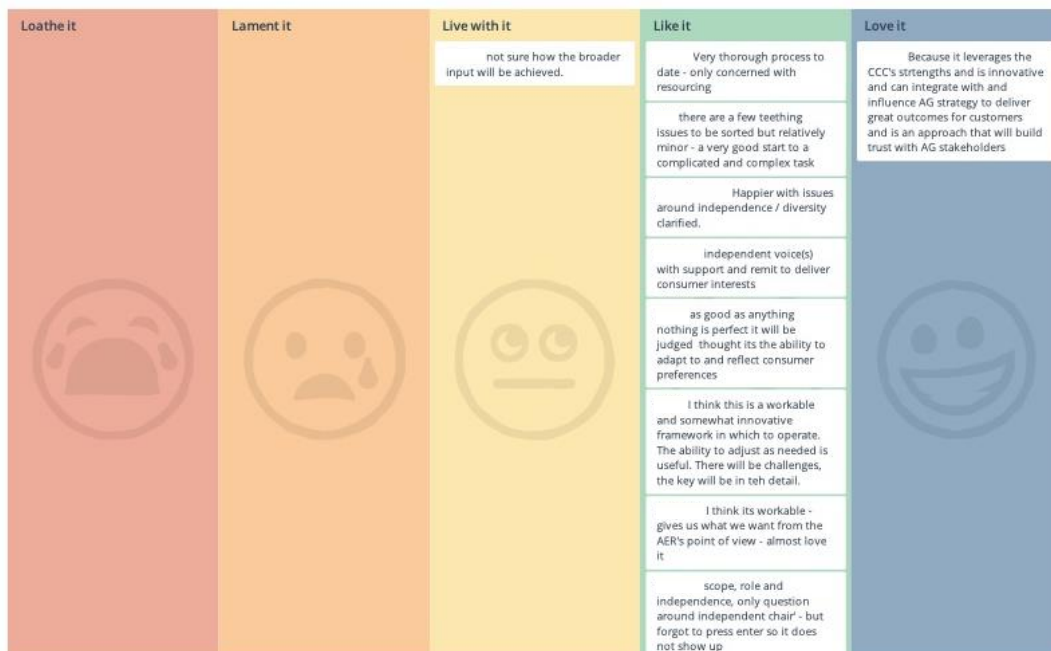

Figure 5: Participant satisfaction with model (names redacted)

Workshop #2 Evaluation

Evaluating genuineness

Of the six CCC members who completed the post-workshop evaluative survey, all rated the 'genuineness' of Ausgrid's approach at a 4 or 5 out of 5. In addition to this, the AER representative indicated he would offer a score of 5/5. Accompanying comments included that the CEO, Chief Customer Officer and the whole Ausgrid Team were showing integrity in their commitment to the process. They described the process as genuine, including the early engagement, willingness to listen and evidence of taking CCC feedback on board between sessions. One respondent suggested earlier incorporation of Board perspectives would have made for an even more genuine process, by allowing the CCC to then address those during the process.

How genuine do you feel Ausgrid's approach has been to engaging on the Stream 1 model?

6 responses
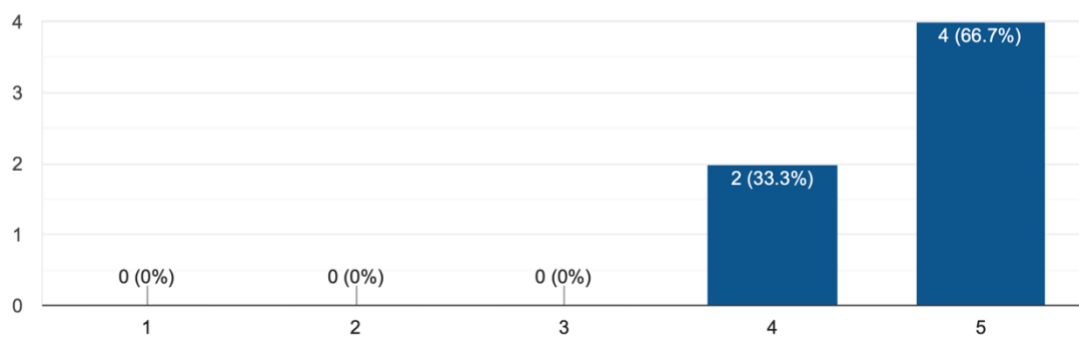
Figure 6: Workshop #2 evaluative survey results

Successes and improvements

Respondents praised the workshop for the circulation of documentation beforehand, the format and easy-to-use technology that supported remote access and a mix of verbal and written feedback. The facilitation was appreciated for enabling meaningful discussion and opportunities for both virtual and in-person attendees to participate fully. The presence of the CEO was also appreciated, including his willingness to answer questions and commitment to the process, as was AER's role as a participant. The AER representative suggested that Ausgrid had the 'right people in the room' who were well qualified to speak on their interests.

Going forward, it was suggested that Ausgrid "continue along a good path", remaining open to new learnings and using the same facilitators, if possible, to maintain continuity. Respondents would like to see the CEO remain involved, as well as Board Directors. One respondent also suggested an introductory session or buddy session between new and experienced CCC to support newcomers in making sense of the reset process, key terms and roles and responsibilities. The AER representative also suggested there may be an opportunity for a 'best practice' session or similar that allows space for CCC members to share lessons learned from similar processes they have undergone on other consumer panels.
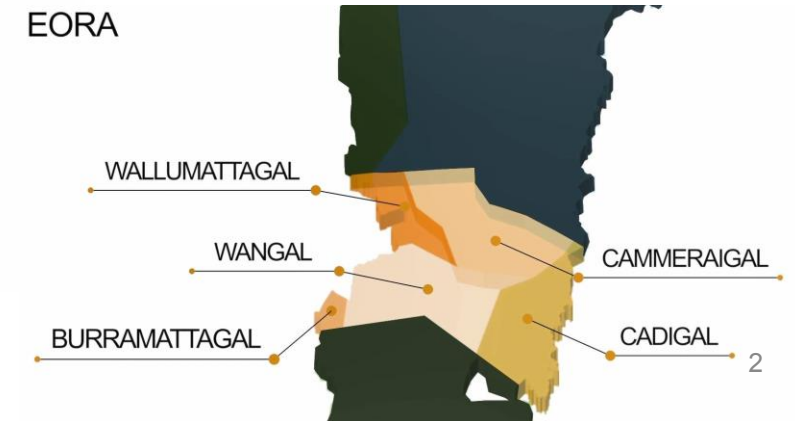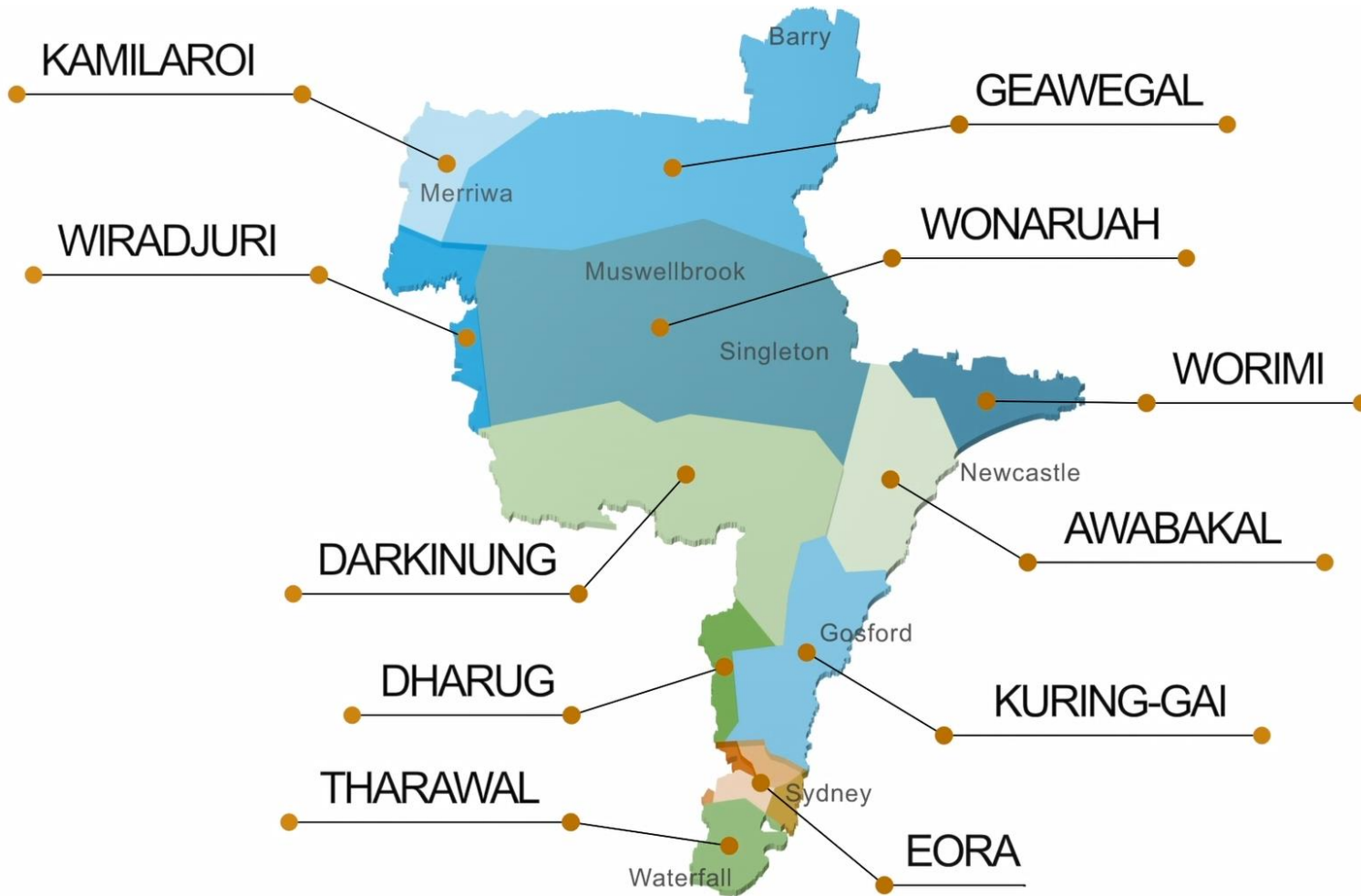
Appendix 1

Workshop 1 presentation slides

Ausgrid Regulatory Proposal Engagement Workshop

24 March 2021

Acknowledgment to Country
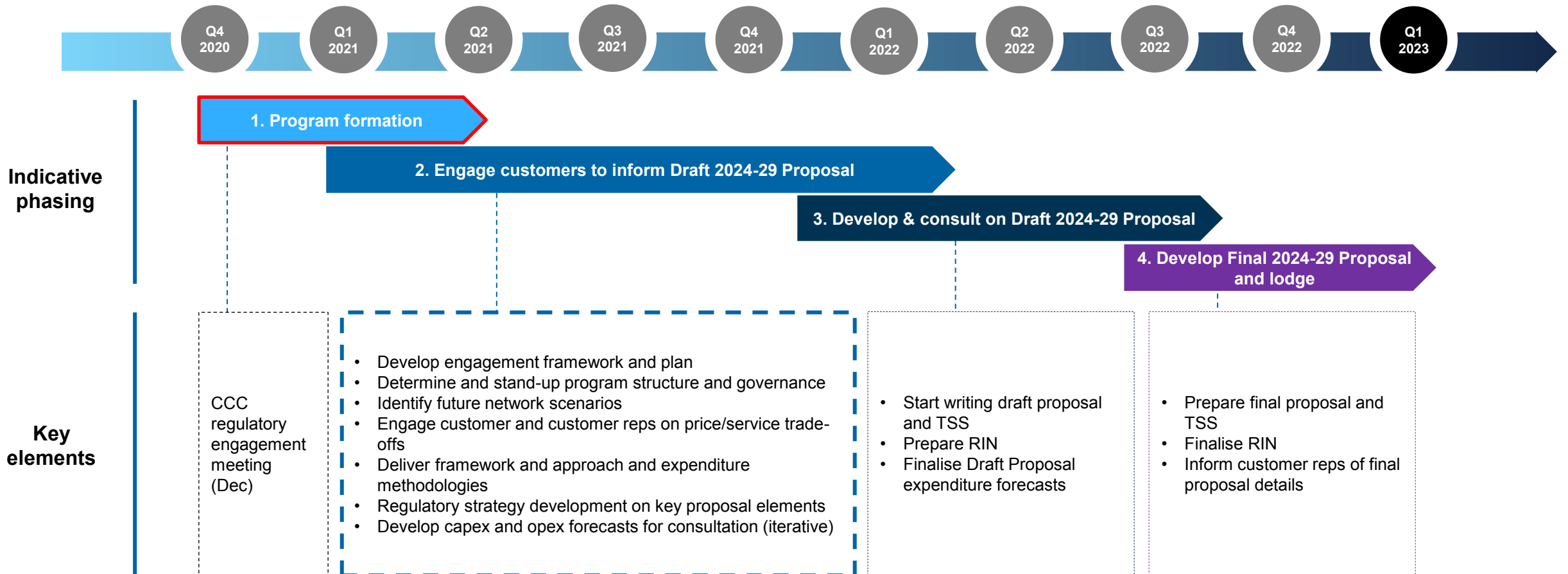
Safety Share

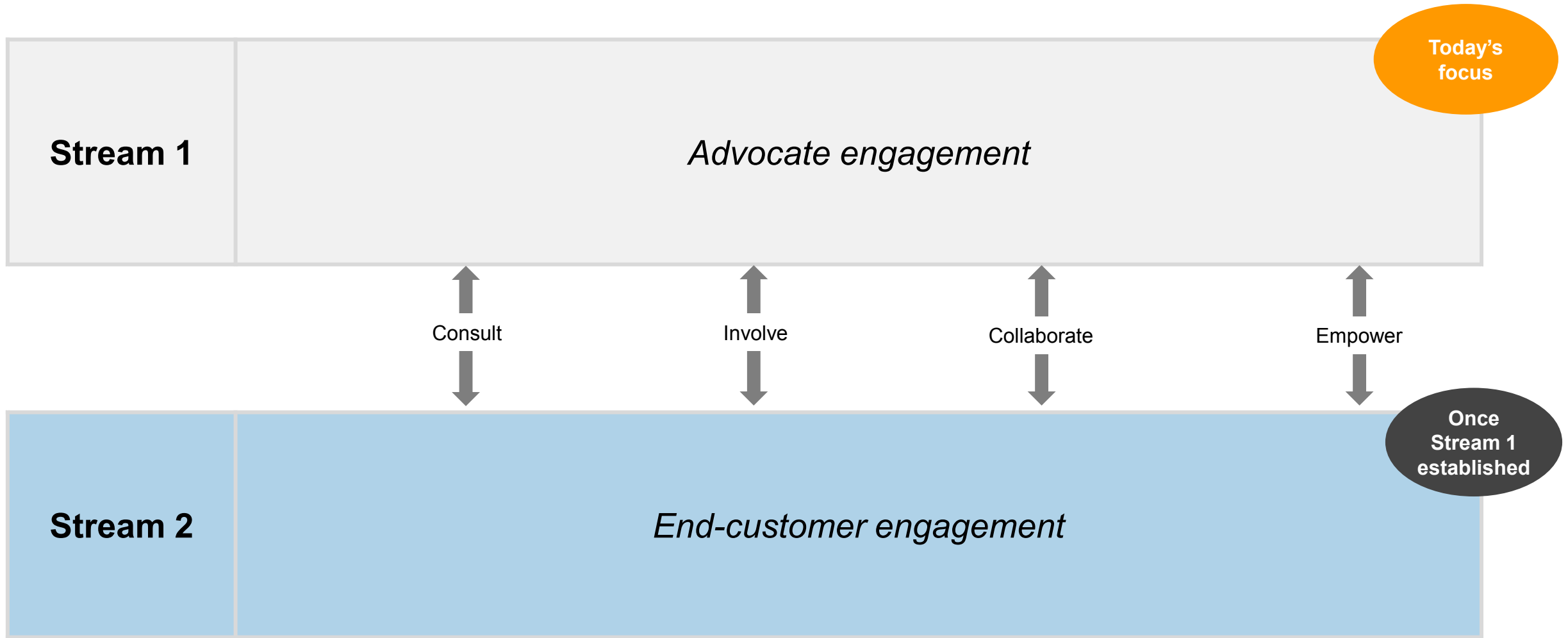# Session Purpose

Rob Amphlett Lewis

Chief Customer Officer
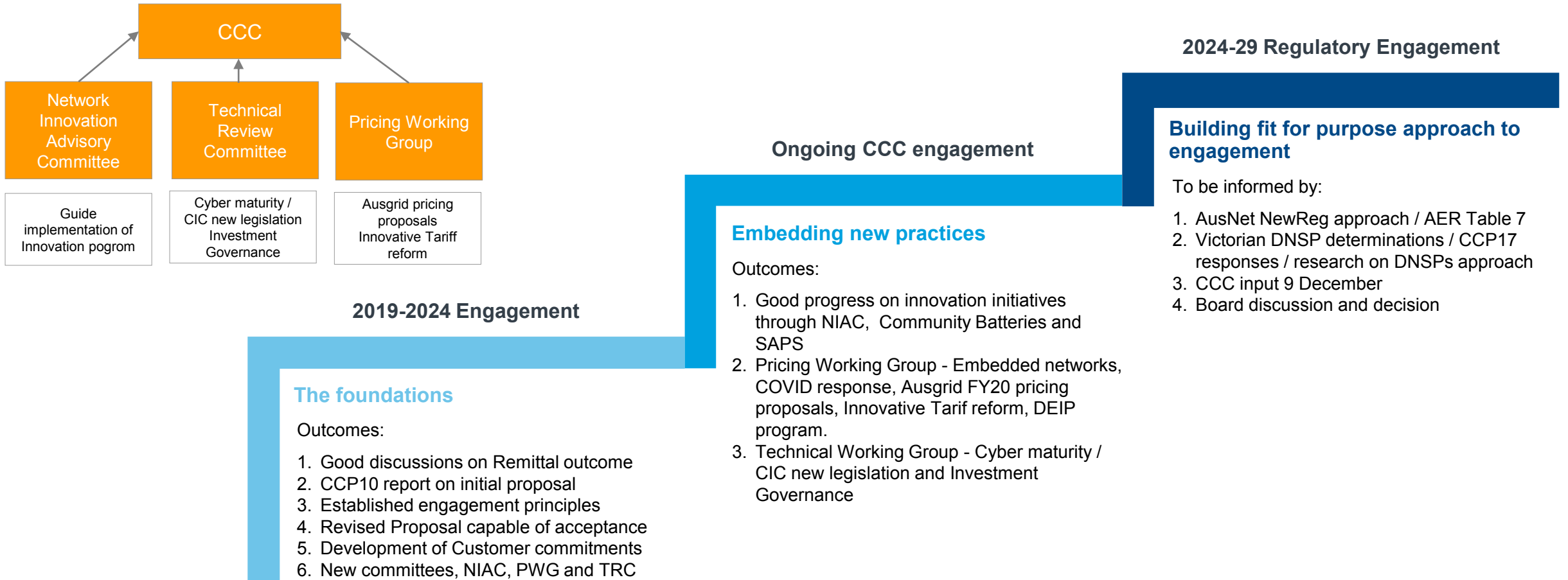
2024-29 Regulatory Reset

We recognise that collaborative engagement with customers to inform the initial proposal is the key to a successful outcome. Our 2024-29 regulatory reset, due in January 2023, will be developed over multiple phases.

| Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 |

Indicative phasing

1. Program formation

2. Engage customers to inform Draft 2024-29 Proposal

3. Develop & consult on Draft 2024-29 Proposal

4. Develop Final 2024-29 Proposal and lodge

Key elements

CCC regulatory engagement meeting (Dec)

- Develop engagement framework and plan
- Determine and stand-up program structure and governance
- Identify future network scenarios
- Engage customer and customer reps on price/service trade-offs
- Deliver framework and approach and expenditure methodologies
- Regulatory strategy development on key proposal elements
- Develop capex and opex forecasts for consultation (iterative)

- Start writing draft proposal and TSS
- Prepare RIN
- Finalise Draft Proposal expenditure forecasts

- Prepare final proposal and TSS
- Finalise RIN
- Inform customer reps of final proposal details

Ausgrid

2024-29 customer engagement streams

Stream 1 — *Advocate engagement*

Today's focus

Consult   Involve   Collaborate   Empower

Stream 2 — *End-customer engagement*

Once Stream 1 established

Ausgrid

The current model is a product of our last revenue reset

CCC

Network Innovation Advisory Committee	Technical Review Committee	Pricing Working Group
Guide implementation of Innovation pogrom	Cyber maturity / CIC new legislation Investment Governance	Ausgrid pricing proposals Innovative Tariff reform

2019-2024 Engagement

The foundations

Outcomes:

1. Good discussions on Remittal outcome
2. CCP10 report on initial proposal
3. Established engagement principles
4. Revised Proposal capable of acceptance
5. Development of Customer commitments
6. New committees, NIAC, PWG and TRC

Ongoing CCC engagement

Embedding new practices

Outcomes:

1. Good progress on innovation initiatives through NIAC, Community Batteries and SAPS
2. Pricing Working Group - Embedded networks, COVID response, Ausgrid FY20 pricing proposals, Innovative Tarif reform, DEIP program.
3. Technical Working Group - Cyber maturity / CIC new legislation and Investment Governance

2024-29 Regulatory Engagement

Building fit for purpose approach to engagement

To be informed by:

1. AusNet NewReg approach / AER Table 7
2. Victorian DNSP determinations / CCP17 responses / research on DNSPs approach
3. CCC input 9 December
4. Board discussion and decision

As we start preparing for the next regulatory reset it is the right time to consider how the current engagement model could evolve.

Ausgrid

7

Session objective

What Stream 1 model options should Ausgrid consider to provide ongoing customer advocate input in our:

- Business-as-usual decision-making; and

- 2024-29 regulatory proposal?

Points to keep in mind

- Once a Stream 1 model is in place (~Jun 2021) we will commence specific discussions related to our regulatory reset proposal including proposal and engagement objectives (e.g. "capable of acceptance" or otherwise), business narrative, joint DB engagement topics, trade offs and Stream 2 engagement plan.

  The right Stream 1 engagement model is a precondition of fit-for-purpose engagement with advocates on our reset.

- We understand that the CCC needs information on high-level business objectives and likely reset engagement topics to provide advice on a Stream 1 structure – we will run through these today.

- Our Board and Executive believe we can design an approach together that is an improvement on the New Reg model.

Session outputs

We hope to emerge from today with:

1.   A final assessment criteria for deciding on the best stream 1 model
2.   Possible stream 1 models, developed by you
3.   Following today's workshop, Ausgrid will come back with a stream 1 engagement model – providing assessment against criteria.

Workshop overview

#	SESSION	LEAD	TIMING
1	Acknowledgement to Country, Safety Share	Rob Amphlett Lewis	9:30 – 9.35
2	Session Purpose	Rob Amphlett Lewis	9:35 – 10.00 (25 min)
3	Feedback and introduction to workshop tool (GroupMap)	Session Facilitators	10:00 – 10:30 (30 min)
4	Stream 1 – Assessment Criteria development	Session Facilitators	10:30 – 11:45 (75 min)
	BREAK		11:45 – 11.55 (10 min)
5	Engagement topics	Session Facilitators	11:55 – 12:40 (45 min)
	LUNCH		12:40 – 1:20 (40 min)
6	Stream 1 – Model development	Session Facilitators	1:20 – 2:45 (85 min)
7	Next steps and Close	Rob Amphlett Lewis	2:45 - 3:00

Ausgrid

Activity

Feedback

What thoughts or questions would you like to share before we start work on the Stream 1 model?

Stream 1:
Developing assessment criteria

Alex McPherson

Head of Regulation

Developing our assessment criteria

Input from a range of sources has helped shape our assessment criteria

Criteria for assessment of committee structure

Table 7   Framework for considering consumer engagement

Element	Examples of how this could be assessed
Nature of engagement	• Consumers partner in forming the proposal rather than asked for feedback on distributor's proposal • Relevant skills and experience of the consumers, representatives, and advocates • Consumers provided with impartial support to engage with energy sector issues • Sincerity of engagement with consumers • Independence of consumers and their funding • Multiple channels used to engage with a range of consumers across a distributor's consumer base
Breadth and depth	• Clear identification of topics for engagement and how these will feed into the regulatory proposal • Consumers consulted on broad range of topics • Consumers able to influence topics for engagement • Consumers encouraged to test the assumptions and strategies underpinning the proposal • Consumers were able to access and resource independent research and engagement
Clearly evidenced impact	• Proposal clearly tied to expressed views of consumers • High level of business engagement, e.g. consumers given access to the distributor's CEO and/or board • Distributors responding to consumer views rather than just recording them • Impact of engagement can be clearly identified • Submissions on proposal show consumers feel the impact is consistent with their expectations
Proof point	• Reasonable opex and capex allowances proposed o In line with, or lower than, historical expenditure o In line with, or lower than, our top down analysis of appropriate expenditure o If not in line with top down, can be explained through bottom up category analysis

Customer and stakeholder engagement principles

Objective: Genuine engagement that fosters community trust and builds relationships

Principle	Description	Example of principle in action
Accountable	Do what we say we will do, and encourage customers and stakeholders to hold us to account	• Responding to customer enquiries within established timeframes
Inclusive	Provide information from our customers and stakeholders' perspective in a format convenient, timely and accessible to them	• Presenting impacts in terms of customer bill outcomes (as well as costs and revenues) • Presenting investments in terms of customer outcomes and reflecting customer preferences
Collaborative	Partner in the design of alternative options and the preferred outcome where possible	• Co-designing outcomes with customers and stakeholders.
Dynamic	Be progressive, open to new ideas and prepared to change based feedback from customers and stakeholders	• Trialling innovative approaches e.g: adoption of new engagement approaches or technology solutions as they become available.
Transparent	Be as open as possible on the role of stakeholders and customers in the decision-making process	• Being clear about what's "on the table" for discussion, and why • Showing where our proposal has changed in response to feedback

Ausgrid

December 2020 CCC workshop – summary of feedback

Designing an engagement model – workshop questions

What is important to you when designing engagement?

- Set clear expectations and be clear on the goal, context and purpose of engagement
- Ensure early engagement with AER
- Focus on long term strategy rather than just prices and reliability; consider a variety of future options then model the costs and benefits of each
- A genuine desire from the business to be influenced by stakeholder input – senior leadership support is essential
- Ensure the right mix of customers are involved.
- Leverage Ausgrid's existing investment in PWG, TRC, NIAC and CCC

What should we consider when deciding the engagement objective?

- What does success look like, what are the outcomes we want to deliver for consumers and how will we achieve it?
- Upfront honesty about what is achievable given cost pressures, credit ratings and what Ausgrid is and isn't prepared to do.
- Ensure thought is given to interactions between issues and capture consumer preferences about trade-offs and cross-subsidies.
- Clarity on roles of participants.
- The appropriate breadth and depth of engagement

How can we best incorporate customer advocates views in our decision making?

- Allow multiple avenues to provide feedback and ample time to prepare responses and / or make arrangements to attend sessions.
- Have the attitude that customer input will improve the proposal and ensure their views are well understood and incorporated as best possible.
- Learn from and build on experiences from a wide range of utilities keeping in mind that some organisations may have a vested interest in not achieving consensus.
- Keep good records.

Key themes

1. Setting clear and realistic expectations

Clearly outlining the purpose and scope of the engagement, with upfront recognition of what can and can't be negotiated through the process.

2. Participant selection

Leveraging existing forums and ensuring the right customer voices are heard is critical to achieving engagement objectives.

3. Methodology design

The engagement framework needs to focus on building trust with a clear process for incorporating and responding to customer feedback.

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Criteria for assessment for Stream 1 model

To assess the various Stream 1 model options, the following criteria have been developed.

Criteria	Does the model....
Allows for a **genuine partnership** when designing and assessing options and solutions.	…allow for a participation level of "Collaborate" on the IAP2 public participation spectrum?
Facilitates provision of **independent advice**	…provide a credible and suitably independent body that can inform and challenge Ausgrid's thinking?
Can facilitate discussion on a **broad** range of topics, while allowing for in **depth** consideration of issues when needed	…allow for customers to be engaged at an appropriate level of detail, not just 'high level'?
Enables a **diversity of customer views** to influence our thinking	…allow for our diverse customer base to be genuinely engaged and supported in the development of the proposal?
Enables a high level of **business engagement**	…involve all levels of the business, including the CEO and Board, to an appropriate degree?
Is **cost-effective** and simple	…represent value for money and an efficient use of time and resources?

For discussion: Do you agree with this assessment criteria? Are there any criteria missing?

Ausgrid

Activity

Assessment Criteria

BREAK
11:45 – 11:55

Engagement Scope

Alex McPherson

Head of Regulation

Our ambition is to deliver the safest, most innovative and sustainable services to our customers and communities

A safe, resilient and optimised network

- We have no worker or community fatalities, or life changing injuries
- High risk activities are always safe thanks to our continuous engineering innovation
- Customers experience an unplanned outage no more than once in 10 years
- We proactively use data to design out network failures and anticipate customer impacts
- Our intelligent network is self diagnosing, safer and self-healing

Trusted by our customers and communities

- Our customer satisfaction rates highest amongst global utilities
- We provide customers with flexible options to access energy markets and make the most of their DER investment
- Our ability to intelligently control energy flow delivers the lowest network charges in Australia
- Customers can easily access accurate, real-time information that they can rely on
- Communities benefit from our energy sharing solutions

A diverse, capable and trusted workforce

- Our inclusive workplace attracts and retains diverse talent
- The diversity of our workforce reflects the communities we operate in
- Digital skills and tools enable us to work productively with greater flexibility and wellbeing
- Our people are skilled in gaining insight from data and are empowered to lead change
- We have a strong customer and service-centric culture where we are all customer champions

Enabling a sustainable future

- Our innovative energy solutions are recognised globally
- We make it easy for customers to add sustainable energy sources to our network
- We are leaders in Australia's transition to a low carbon economy
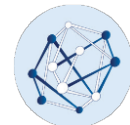
Leader in collaborative innovation

- Our innovative energy sharing solutions contribute 10% of Australia's energy supply
- Our digital and mobile solutions make it easy for suppliers and contractors to work with us
- Industry partners benefit from integrated and secure access to the data-to-intelligence service at the heart of our business decision-making

An outstanding performer

- Our strong ethics and values enhance the reputation of the Ausgrid brand
- We deliver sustainable growth for our shareholders
- We achieve appropriate and stable returns for our shareholders

Ausgrid

Engagement topics

Corporate Priorities

Safer
- No fatalities or life-changing injuries
- High-risk activities are always safe.

Simpler
- Easy to connect DER to our network
- Easy customer interaction processes with complementary digital solutions.

Sustainable
- Leader in collaborative innovation
- A network that is more resilient to climate change

Regulatory framework

- CSIS
- STPIS
- EBSS & CESS
- Street-lighting framework
- Pass throughs
- Service classification

Revenue and Pricing

- Opex step changes
- Depreciation
- Opex benchmarking
- Productivity
- Opening RAB
- Network capex
- Financeability
- Network repex
- IT capex
- Tariff Structures

● Potential joint DB engagement

Key questions:

1. Do you think we have we missed any likely topics?

2. Do you want us to consult on the 2022 rate of return review?

21

Activity

Engagement scope

LUNCH
12:40 – 1:20

Stream 1: Model

Alex McPherson

Head of Regulation

2024-29 customer engagement streams

Stream 1	*Advocate engagement*

Today's focus

Consult   Involve   Collaborate   Empower

Stream 2	*End-customer engagement*

Once Stream 1 established
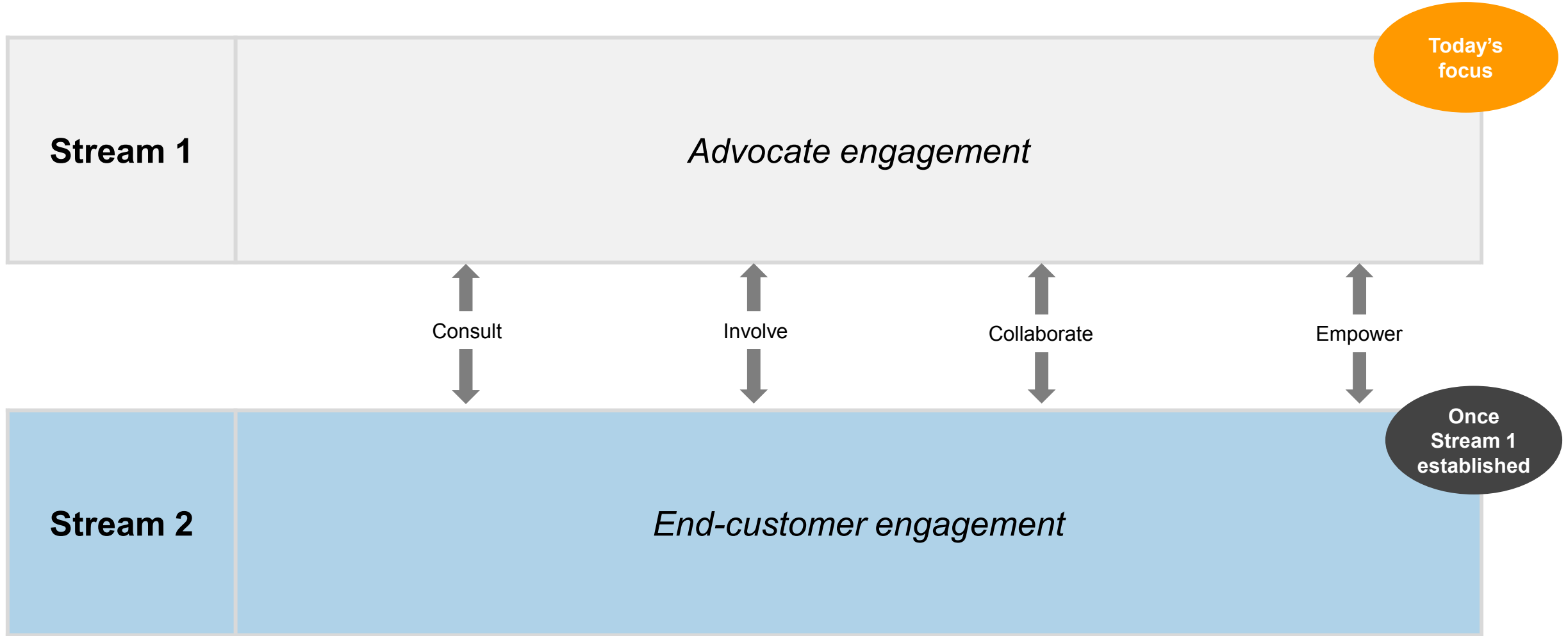
Example: Ausgrid's current structure assessed against criteria

```
   AER

Consumer              Ausgrid
Challenge Panel

Customer     <-->       CCC
Engagement and
Research

         Network      Technical    Pricing
         Innovation   Review       Working
         Advisory     Committee    Group
         Committee
```

Criteria	Pros	Cons
Allows for genuine partnership when designing and assessing options	• Existing committees have a defined Terms of Reference with clear IAP2 collaboration objective.	• Multiple committees can create overlapping jurisdictions and responsibilities
Facilitates provision of independent advice	• Committee members are experienced consumer advocates who would be keen to demonstrate their independence	• Little change in committee members over recent years and little public transparency over funding arrangements
Facilitates discussion on a broad range of topics	• Committee members are be able to influence the topics for discussion	• There may be overlaps or gaps between committees
Enables a diversity of customer views	• Committee member views can clearly be evidenced and responded to	• Some of the existing committees have small membership (e.g. Technical Review Committee)
High level of business engagement	• Existing committee structure involves staff from across the organisation (e.g. Asset Management, IT)	• Board members and senior Ausgrid management may not be able to cover all the committees
Cost effective and simple	• Existing committees have clear focus on specific topics	• Maintaining four committees may be costly and resource intensive for both Ausgrid and customer advocates

Questions to ask when developing an alternative model

- Could membership expand to involve new sectors, young people, CALD communities, lay voices? How would we need to build their capacity to engage with topics?
- Should the model consider engagement with other DNSPs?
- Should the model develop could offer an independent report to the AER, and/or have its own secretariat and funding?
- How can the subgroups evolve to ensure relevant the expertise is on hand to meaningfully influence decisions?

What are the parts? A few thought-starters

Customer Advocates

Funding for participants

Consumer Challenge Panel

Secretariat to support customer advocates

Sub- committees NIAC / TRC / PWG

AER

Ausgrid Board

Revenue Proposal Reference Group (RPRG)

Ausgrid Executive / Managers

Ausgrid CEO

Representative Membership

Endeavour Energy

Essential Energy
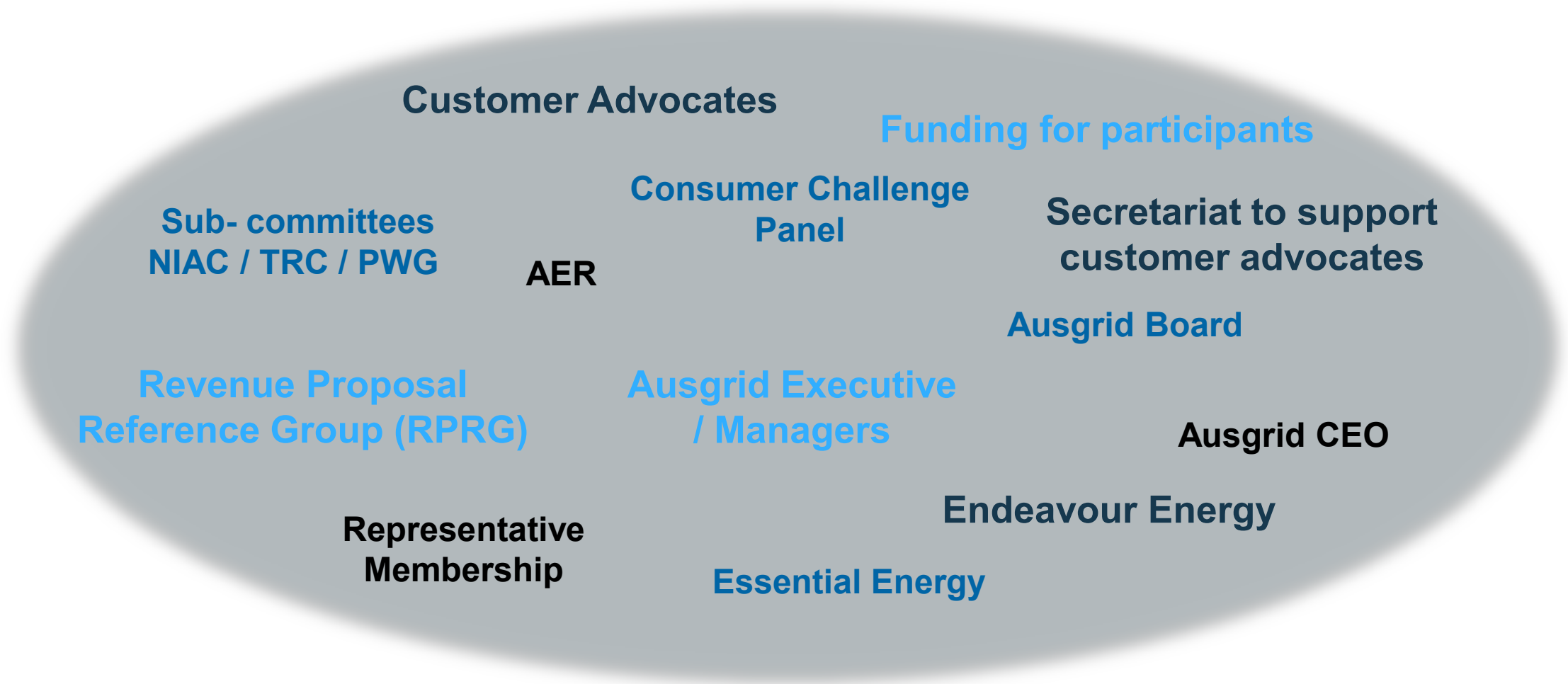
Activity

Model design

Next Steps and Close

Rob Amphlett Lewis

Chief Customer Officer

Key takeaways

Next Steps

- Develop model with CCC inputs

- Present model back to CCC

- Process to set up new model and appoint members; stand-up new model around June 2021

- Commence 'substantive' engagement program

  [Specific discussions related to our regulatory proposal including proposal and engagement objectives (e.g. "capable of acceptance" or otherwise), business narrative, joint DB engagement topics and stream 2 engagement plan.]

Ausgrid

CLOSE

Appendix 2

Workshop 1 GroupMap raw outputs

What thoughts or questions would you like to share before we start work on the Stream 1 model? Be sure to 'like' other important contributions.

+

This is not for this part of the process, but need to establish early what is up for negotiation and what is not — 👍 1

how to demonstrate an elelent of independence / autonomy / empowerment — 👍 1

what is teh feedback channel back tp ceo / board (ability to influence ?) — 👍

objective of long run customer benefit — 👍

there is a need to fully explore the time and resource allocation for this process....having been through a couple before. Budget for engagement process? Especially for those of us who have no ongoing funding for this work — 👍 4

assessment criteria will need to have an idea to what success looks like — 👍 1

similar theme ... how will success be measured ? (appreciating that the goals can be refined as the process progresses) — 👍

when we develop models in part 3 we will be thinking about models that work to deliver customer outcomes and that work to meet AER objectives as well as meet Ausgrid's needs — 👍 2

given such a long period of time - some thoughts around replacement and renewal - continuity — 👍

Really "impressed" that you are starting off with objectives to be developed by this consultation process — 👍

Need to understand scope and ultimate objectives — 👍 2

common agreement of what is success / good — 👍 3

Draft Stream 1 Assessment Criteria	Keep	Change	Add
+	+	+	+
		Allows for a GENUINE PARTNERSHIP(not sure what this actually means) when designing and assessing options and solutions 👍	Trust as seperate criterion: Does the model build trust? 1
		Facilitates (provides) provision of INDEPENDENT (of who) ADVICE (what type of advice) 👍	Time is an important volunteer advocate resource / constraint which needs to be understood and supported in the engagement 👍
		Can facilitate discussion on a BROAD range of topics, while allowing for IN DEPTH consideration of issues when needed (who decides which is what ? - agenda setting clarity) 👍	Time 👍
			how will consumers advocates engage with the stream two processes....eg attendance at a deliberative forum in Western Sydney? 👍
		Enables a high level of BUSINESS ENGAGEMENT (i want commitment) 👍	prioritises customer outcomes that customers value 2
		Enables a DIVERSITY OF CUSTOMER VIEWS to influence our thinking and change consumer outcomes for better 👍	contributes to Ausgrid's long term strategy 1
		Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent) 👍	Stream 2 engagement needs to be genuine/ best practice - incl. by consulting Stream 1 to inform proper process 👍

Stream 1: Assessment Criteria – GroupMap Comments		
Participant Name	**Idea**	**Comment**
mike swanston	Allows for a GENUINE PARTNERSHIP(not sure what this actually means) when designing and assessing options and solutions	we should be careful not to 'weaponise' or generalise IAP2 - there will be horses for courses.
Helen Sloan	Allows for a GENUINE PARTNERSHIP(not sure what this actually means) when designing and assessing options and solutions	What are the characteristics of this "partnership"? What might we expect as a result?
mike swanston	Allows for a GENUINE PARTNERSHIP(not sure what this actually means) when designing and assessing options and solutions	care needed - needs a fairly clear scope and business narrative - this could get bigger than Ben Hur, with unrealistic expectations
Adam Young	Allows for a GENUINE PARTNERSHIP(not sure what this actually means) when designing and assessing options and solutions	Some aspects of consultation may not need to be partnered - inform/consult may suffice - need to be clear when we are collaborating vs consult/inform.
Scott Newton	Allows for a GENUINE PARTNERSHIP(not sure what this actually means) when designing and assessing options and solutions	"As a consumer, your views will be critical in defining your energy outcome"
Scott Newton	Allows for a GENUINE PARTNERSHIP(not sure what this actually means) when designing and assessing options and solutions	"Do we start with 'collaborate' rather than using 'genuine partnership'"?
Scott Newton	Allows for a GENUINE PARTNERSHIP(not sure what this actually means) when designing and assessing options and solutions	Be aware of language and the commitment it brings
Scott Newton	Allows for a GENUINE PARTNERSHIP(not sure what this actually means) when designing and assessing options and solutions	Different parts of the process or topics will require different levels of engagement - i.e. "overall, we will collaborate"

Adam Young	Can facilitate discussion on a BROAD range of topics, while allowing for IN DEPTH consideration of issues when needed (who decides which is what ? - agenda setting clarity)	How do we develop capacity for time constrained consumers to engage at an appropriate level taking in technicality of issues?
Scott Newton	Can facilitate discussion on a BROAD range of topics, while allowing for IN DEPTH consideration of issues when needed (who decides which is what ? - agenda setting clarity)	Lack of knowledge/capacity is not an excuse for Ausgrid to not engage, if consumers are keen to engage deeply on the given topic
Scott Newton	Can facilitate discussion on a BROAD range of topics, while allowing for IN DEPTH consideration of issues when needed (who decides which is what ? - agenda setting clarity)	Fit for purpose method per topics
Scott Newton	Can facilitate discussion on a BROAD range of topics, while allowing for IN DEPTH consideration of issues when needed (who decides which is what ? - agenda setting clarity)	Process needs to begin with joint conversation (co-design) to set agenda
Scott Newton	Can facilitate discussion on a BROAD range of topics, while allowing for IN DEPTH consideration of issues when needed (who decides which is what ? - agenda setting clarity)	Resource considerations for advocates - incl. prioritisation
Scott Newton	contributes to Ausgrid's long term strategy	Part of infrastructure of the company
Scott Newton	contributes to Ausgrid's long term strategy	Avoid having same conversations again and again each cycle
Scott Newton	contributes to Ausgrid's long term strategy	Should include engagement on Ausgrid's business narrative
Adam Young	Enables a DIVERSITY OF CUSTOMER VIEWS to influence our thinking and change consumer outcomes for better	How do you capture the diversity of your consumers and their preferences? How do you ensure diversity of preferences is representative (model dependent).
Scott Newton	Enables a DIVERSITY OF CUSTOMER VIEWS to influence our thinking and change consumer outcomes for better	Different modes of engagement needed for each topic/consumer to enable them to engage

Scott Newton	Enables a DIVERSITY OF CUSTOMER VIEWS to influence our thinking and change consumer outcomes for better	Robust data capture to demonstrate diversity
mike swanston	Facilitates (provides) provision of INDEPENDENT (of who) ADVICE (what type of advice)	A key outcome has to be earning TRUST - from the AER, from consumers and Ausgrid. Is this a headline criteria ?
Louise Benjamin	Facilitates (provides) provision of INDEPENDENT (of who) ADVICE (what type of advice)	what does independent mean? Chair? funding? access to exec and board, freedom to act and talk to stakeholders
Iain Maitland	Facilitates (provides) provision of INDEPENDENT (of who) ADVICE (what type of advice)	it should be about providing the opportunity for independent advice, they need to be able to have access to apprropriate resources, to be able to source independent advice on their own behalf. the model needs to provide for 1.Appropriate mix of skills in the group, 2. resources for the people in the group 3. and access to independent advice when required
Scott Newton	Facilitates (provides) provision of INDEPENDENT (of who) ADVICE (what type of advice)	Not just about independent body to Ausgrid but providing resources and support to source additional, independent perspectives etc.
Scott Newton	Facilitates (provides) provision of INDEPENDENT (of who) ADVICE (what type of advice)	How do you demonstrate independence? A lot of this would depend on Stream 2 (e.g. independent report from engagement parties on how they perceive the process) - Adam
Iain Maitland	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	remove ÇOST....the process has to be effective, cost is secondary or less. Simple this stuff isnt, maybe it needs to be as simple as possible, possibly únderstandable'....rather than simple.
mike swanston	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	REMOVED
Louise Benjamin	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	the description is good but the summary into cost effective and simple doesn't match up with the description
mike swanston	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	Some detail around what 'simple' means ... transparent ? Clear implementation plan ? Able to apply KPIs ?

mike swanston	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	cost effective and simple for whom ?
Louise Benjamin	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	Dont reinvent the wheel. leverage the investment made by Ausgrid and committee members in the existing committee structure
Louise Benjamin	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	Feedback loop between new structure and current committee structure is essential. Avoid Ausnet Customer Forum separation from their CCC
mike swanston	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	more specific - improve the speed and cost of the reset process ? Improve the confidence (by whom ?) in the process ? Better outcomes for consumers (what is better ?)
Scott Newton	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	Recognise value of resources and ensure we don't exhaust them - Gavin
Scott Newton	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	Appropriate level of sponsored participation - Pete
Scott Newton	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	Resources for all parties
Adam Young	Is COST-EFFECTIVE (for Who) and simple (meaningful and transparent)	link value of engagement and resources - for all parties
Scott Newton	prioritises customer outcomes that customers value	Shouldn't just be distributor telling consumers what the value is for them; they need to listen to what is truly valuable to consumers and prioritising those - identify what is important to them upfront
Scott Newton	prioritises customer outcomes that customers value	Need 'line of sight' back to what is important to each customer segment
Scott Newton	prioritises customer outcomes that customers value	Part of upfront agenda-setting scope discussion
Helen Sloan	prioritises customer outcomes that customers value	This is really critical - would like to see this as a criterion in its own right.

Scott Newton	prioritises customer outcomes that customers value	Stream 1 model also needs to further customer priorities
Scott Newton	prioritises customer outcomes that customers value	Co-designing the agenda setting
Adam Young	Stream 2 engagement needs to be genuine/ best practice - incl. by consulting Stream 1 to inform proper process	Also need to define "genuine" - what does it look like?
Helen Sloan	Stream 2 engagement needs to be genuine/ best practice - incl. by consulting Stream 1 to inform proper process	strategy for achieving customer outcomes
Scott Newton	Trust as seperate criterion: Does the model build trust?	Needs to deal with power imbalance - Gavin
Scott Newton	Trust as seperate criterion: Does the model build trust?	Outcome-focused language not just process
Scott Newton	Trust as seperate criterion: Does the model build trust?	E.g. access to information, influence etc.
Scott Newton	Trust as seperate criterion: Does the model build trust?	The group should not operate in bubble, should link to Ausgrid values, charter etc. to prove it is genuine
Scott Newton	Trust as seperate criterion: Does the model build trust?	Part of the company's DNA
Scott Newton	Trust as seperate criterion: Does the model build trust?	Bigger than just the reg reset

Example topics

+

- Safer
- Simpler
- Sustainable***
- CSIS***
- STPIS
- EBSS & CESS
- Street-lighting framework
- Pass throughs***
- Service classification***
- Opex step changes***
- Depreciation
- Opex benchmarking
- Productivity
- Opening RAB
- Network capex
- Financeability
- Network repex
- IT capex
- Tariff structures***

Which topics, if any, are missing?

+

Customer education on energy [1]

rule changes and impacts (6.1.4)

sustainable - needs a layer of 'corporate, environmental, community' - then jump into more detail [1]

EVs how is Ausgrid exploring the issues wrt charging systems

risk appetite - last time AGrid accepted more of the corporate risk on replacement of oil filled cables for example

Approach to risk - what and how much is AG is willing to bear, what consumers are willing to bear

I cant make the jump from priorities to AER blocks - it needs a 'what and why is this important' layer to bridge corporate priorities to aer-centric language [1]

cybersecurity risks

non-network solutions - what role do they play?

innovation - what comes after community batteries?

What might this maximum scope mean for Stream 1 REPRESENTATION?

+

the themed approach seems appropriate....we probably cant be across all of the minutiae but we can act as problem solvers with different perspectives to the dnsb staff

Establishment of ongoing info / trails feedback loops

Need to revisit level of detail we go into based on interest/importance (some may emerge as non-issues, some may uncover bigger issues to look at). Also revisit level of support/expert advice provided to help people have the conversations we need to have

Stream 1 will need to focus on how to identify key issues for further examination, and how best to explore them - survey, quick chat, ask the expert, ask the audience, phone a friend ...

will al the representatives be able to fulfill the duties which coudl be quite intensive?

all customer segments: large users, small business, regional business, COVID and natural disaster affected customers - business and households, ASPs, Councils, different household segments either

WHAT ELSE might this maximum scope mean for Stream 1?

+

identify the consumers (stakeholders) who have not yet been heard

[Example] Ausgrid will need to arrange capacity building sessions to support certain consumer groups to understand and respond to particular topics

Note 1a - topics need to be reframed to be consumer focused, rather than compliance focused

Note 1b - some themes and issues (e.g. appetite for risk, resilience) but across multiple topics - more consumer-centric way to frame it

Note - we don't know what people will want to talk about in the future. Need flexible model (i.e. a "club house") that enables us to adjust to focus on most important topics (e.g. pull people in through 'side doors')

Note - consumers might not know what they want to talk about. Education/advice required (e.g. for high impact/low interest groups)

through direct representation or some way to ensure their needs are considered

Add topic on context (i.e. bigger system) (e.g. transmission, Rez-zone whole of system value, don't wanna pay twice)

wider representation is ideal but what is the 'efficient' group size?

1

Consumer engagement review?

Incentive review?

[Example] Experts in X will need to be part of the process to assist the group in providing informed comment on X topic

Resilience?

Price?

Consult on 2022 rate of return review?

Engagement Scope – GroupMap Comments		
Participant Name	**Idea**	**Comment**
Mark Grenning	Add topic on context (i.e. bigger system) (e.g. transmission, Rez-zone whole of system value, don't wanna pay twice)	it would help engagement if Ausgrid provided a wider industry transition' perspective - this could draw on the business narrative document to give context to the world Ausgrid and its customers are going to operate in
Adam Young	all customer segments: large users, small business, regional business, COVID and natural disaster affected customers - business and households, ASPs, Councils, different household segments either through direct representation or some way to ensure their needs are considered	How do we get all these cust segments represented?
Scott Newton	I cant make the jump from priorities to AER blocks - it needs a 'what and why is this important' layer to bridge corporate priorities to aer-centric language	Use priorities to provide context for specific topics
Scott Newton	I cant make the jump from priorities to AER blocks - it needs a 'what and why is this important' layer to bridge corporate priorities to aer-centric language	Need to go on journey - why are we talking about specific topics; how does it link back to what consumers told us were important to them
Scott Newton	I cant make the jump from priorities to AER blocks - it needs a 'what and why is this important' layer to bridge corporate priorities to aer-centric language	Package topics up to enable consumers to explore trade-offs etc.
Scott Newton	Note - we don't know what people will want to talk about in the future. Need flexible model (i.e. a "club house") that enables us to adjust to focus on most important topics (e.g. pull people in through 'side doors')	Structure of organisation should facilitate multiple conversations simultaneously on different topics. It's temporal
Scott Newton	Note - we don't know what people will want to talk about in the future. Need flexible model (i.e. a "club house") that	You're building out a social ecosystem

	enables us to adjust to focus on most important topics (e.g. pull people in through 'side doors')	
Scott Newton	Note - we don't know what people will want to talk about in the future. Need flexible model (i.e. a "club house") that enables us to adjust to focus on most important topics (e.g. pull people in through 'side doors')	Cultural of the organisation is key
Scott Newton	Note - we don't know what people will want to talk about in the future. Need flexible model (i.e. a "club house") that enables us to adjust to focus on most important topics (e.g. pull people in through 'side doors')	People should be able to self-select in to represent - need to build a social framework/ecosystem that enables those people to self identify, come in and be heard - theoretically everyone should have the opportunity to be heard
Scott Newton	Note - we don't know what people will want to talk about in the future. Need flexible model (i.e. a "club house") that enables us to adjust to focus on most important topics (e.g. pull people in through 'side doors')	How do we avoid Stream 1 becoming gatekeepers?
Scott Newton	Note - we don't know what people will want to talk about in the future. Need flexible model (i.e. a "club house") that enables us to adjust to focus on most important topics (e.g. pull people in through 'side doors')	Not about 'representation' (i.e. who is in/not in)
Scott Newton	Note - we don't know what people will want to talk about in the future. Need flexible model (i.e. a "club house") that enables us to adjust to focus on most important topics (e.g. pull people in through 'side doors')	Beware of organisational reps 'ticking boxes' - need to invite in unheard voices
Scott Newton	Opening RAB	Should include WAC review?
Scott Newton	Sustainable***	Also socially, politically, financially sustainable - Miyuru

Describe your model

+

current CCC/NIAC/PWG/TRG structure is already trying to achieve embedding customer preferences into AG business planning. Query evidence if this happening outside NIAC and PWG. Can the current model be enhanced/adapted to meet the needs o the regulatory reset.

Building on the existing CCC/NIAC/PWG/TRG framework can the ToR for each committee be adapted to cover the breadth and depth needed for the reset? Changes that would need to be made include refreshing membership to ensure that major customer segments are represented which might increase membership of the CCC to 12-15; greater independence/freedom to act, a revised ToR and payment for all participation. This means a change to the way CCC is working with greater opportunity to influence BAU investment decisions. Alternatively do we need a regulatory reset subgroup drawn from CCC and other committee membership as a CCC subgroup (this is for efficiency both as to cost for Ausgrid and time commitment for the members, many of whom have other commitments). If a separate sub group is formed independence of that subgroup will be critical given that the CCC and other committees are not currently independent of Ausgrid. there will be a tension between the level of independence needed to establish AER trust and the integration with the wider CCC. the relationship between any sub group and the CCC would be critical

Sketch your own model here: http://bit.ly/Ausgrid2

How does it work? What are its key characteristics?

How does it meet the criteria?

+

How does your model meet the assessment criteria we explored today?

- Allows for overall collaborative approach
- Facilitates independence with support to achieve this
- Builds trust in Ausgrid
- Facilitates breadth and depth with support to build capacity
- Supports joint agenda-setting to prioritise what customers value
- Commits senior Ausgrid Executive and Board involvement
- Enables diverse views through tailored engagement
- Is effective and values everyone's resources and expertise
- Contributes to Ausgrid's long-term strategy

Describe your model

+

should it be a negotiating group or an advisory group bound by the collaboration core

stream 1 - challenge role to Ausgrid proposal

clear understanding of engagement with CCP/AER

opportunity for stream 1 access to senior exec/Board

what level of engagement does Ausgrid expect stream 1 to have with ausgrid (eg stream 1 flexability to determine issues to deeply engage on with ausgrid) and stream 2

Ausgrid has to take account of views and clear explanation of how they have taken/not taken views into account ; accountability process to both Ausgrid and stream 2 - Stream 1 to prepare two reports - one after initial proposal and one after revised proposal

core membership supplemented by SMEs as required

agree on having a group separate from the CCC structure - membership can draw on CCC/NIAC/Pricing/Technical members as well as outside the existing structure depending on scope and expertise;

independent chair; Ausgrid secretarial support; funding to cover sitting fees of memebrs and some $ for commissioning of independent views; 'full-time' ~5;

there may be some issues that stream 2 do not consider important but which stream 1 considers are important; then consult with stream 2 - to inform/increase understanding

stream 1 members establish potential areas and then consult with stream 2 to develop the list - the breath and depth;

stream 1 members are not meant to be authoritative/sole experts of our particular advocacy population; we are there to ensure best practice engagement with these different stakeholder groups as part of stream 2

Sketch your own model here: http://bit.ly/Ausgrid1

How does it work? What are its key characteristics?

How does it meet the criteria?

+

How does your model meet the assessment criteria we explored today?

- Allows for overall collaborative approach
- Facilitates independence with support to achieve this
- Builds trust in Ausgrid
- Facilitates breadth and depth with support to build capacity
- Supports joint agenda-setting to prioritise what customers value
- Commits senior Ausgrid Executive and Board involvement
- Enables diverse views through tailored engagement
- Is effective and values everyone's resources and expertise
- Contributes to Ausgrid's long-term strategy

Describe your model

+

Sketch your own model here: http://bit.ly/Ausgrid3

How does it work? What are its key characteristics?

Expect broadly varying interests and levels of expertise

Inclusive well publicised easily accessible to ensure broad input

How does it meet the criteria?

+

How does your model meet the assessment criteria we explored today?

- Allows for overall collaborative approach
- Facilitates independence with support to achieve this
- Builds trust in Ausgrid
- Facilitates breadth and depth with support to build capacity
- Supports joint agenda-setting to prioritise what customers value
- Commits senior Ausgrid Executive and Board involvement
- Enables diverse views through tailored engagement
- Is effective and values everyone's resources and expertise
- Contributes to Ausgrid's long-term strategy

Promotes access to vast consumer expert advice

Plenty of scope for Execs to particpate

Collaborative

Empowers the participants

Trust in Ausgrid depends on Ausgrid participation

Values different views, differnt levels of expertise

Diversity of input

Resilient over time - does not depend on individuals

how are Ausgrid engaging and providing opportunity to each groups now - im sure you do
logging it could be good

people / groups

hard wires in resilliancve

Universe of all consumers/ intreats flows in

target different informations and approaches to the different grouping

little more focus/ targeted

little more focus

flows in

closer get the the centre the more you selclect people / intreats

little more focus and targeting

information flows out
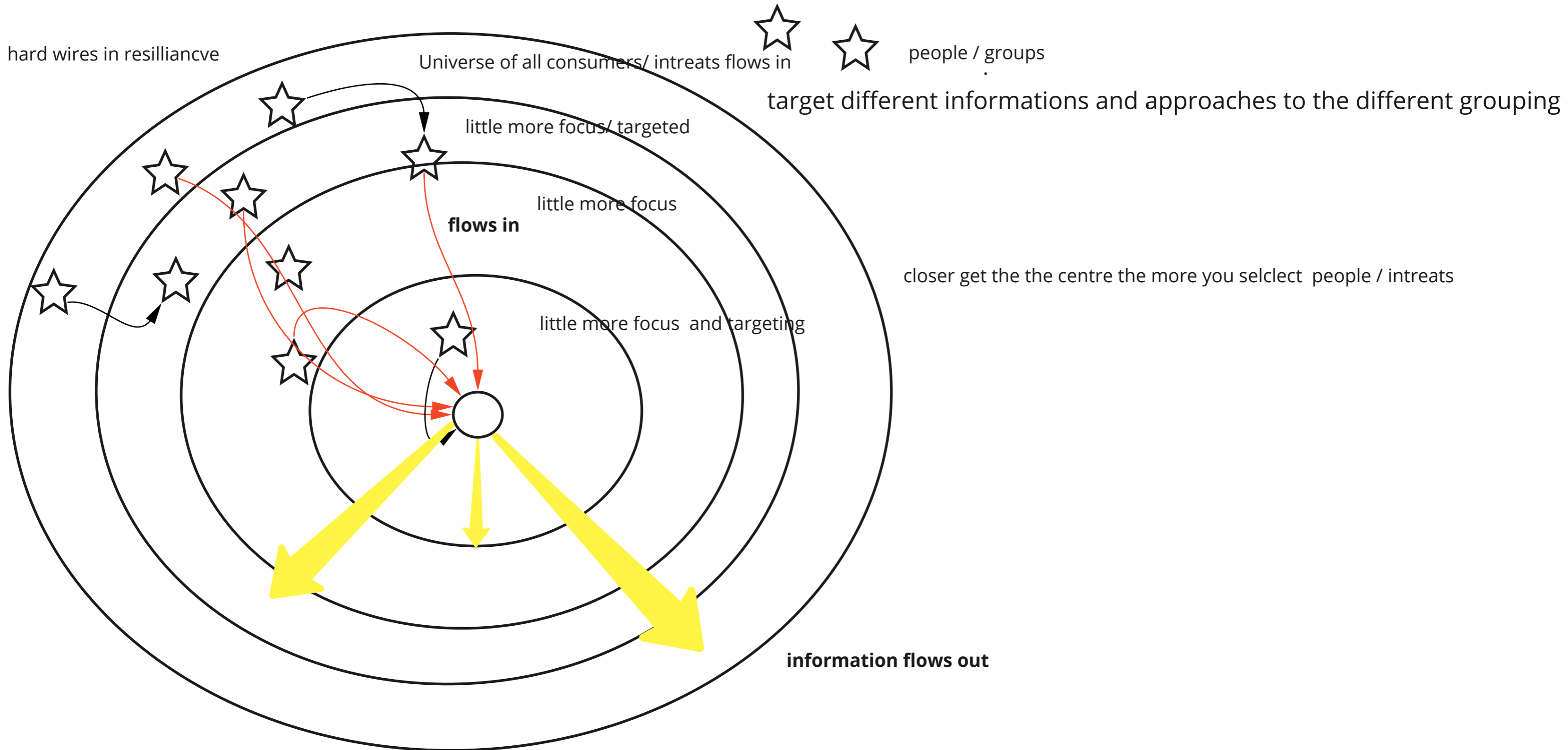
Appendix 3

Workshop 2 presentation slides

Ausgrid Customer Advocate Engagement Model

Follow up workshop
6 May 2021

Acknowledgment of Country
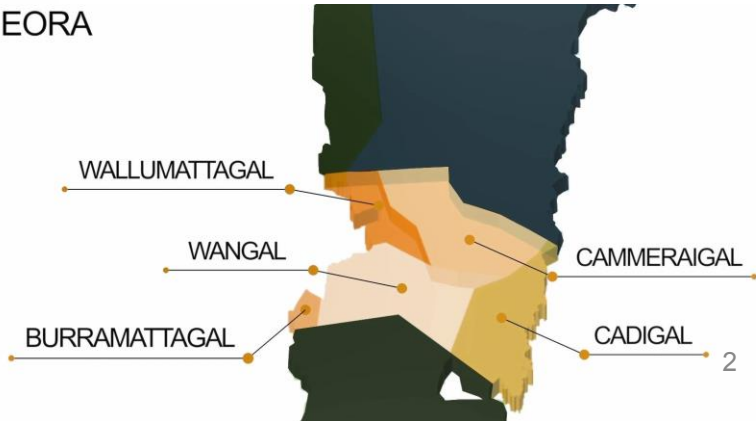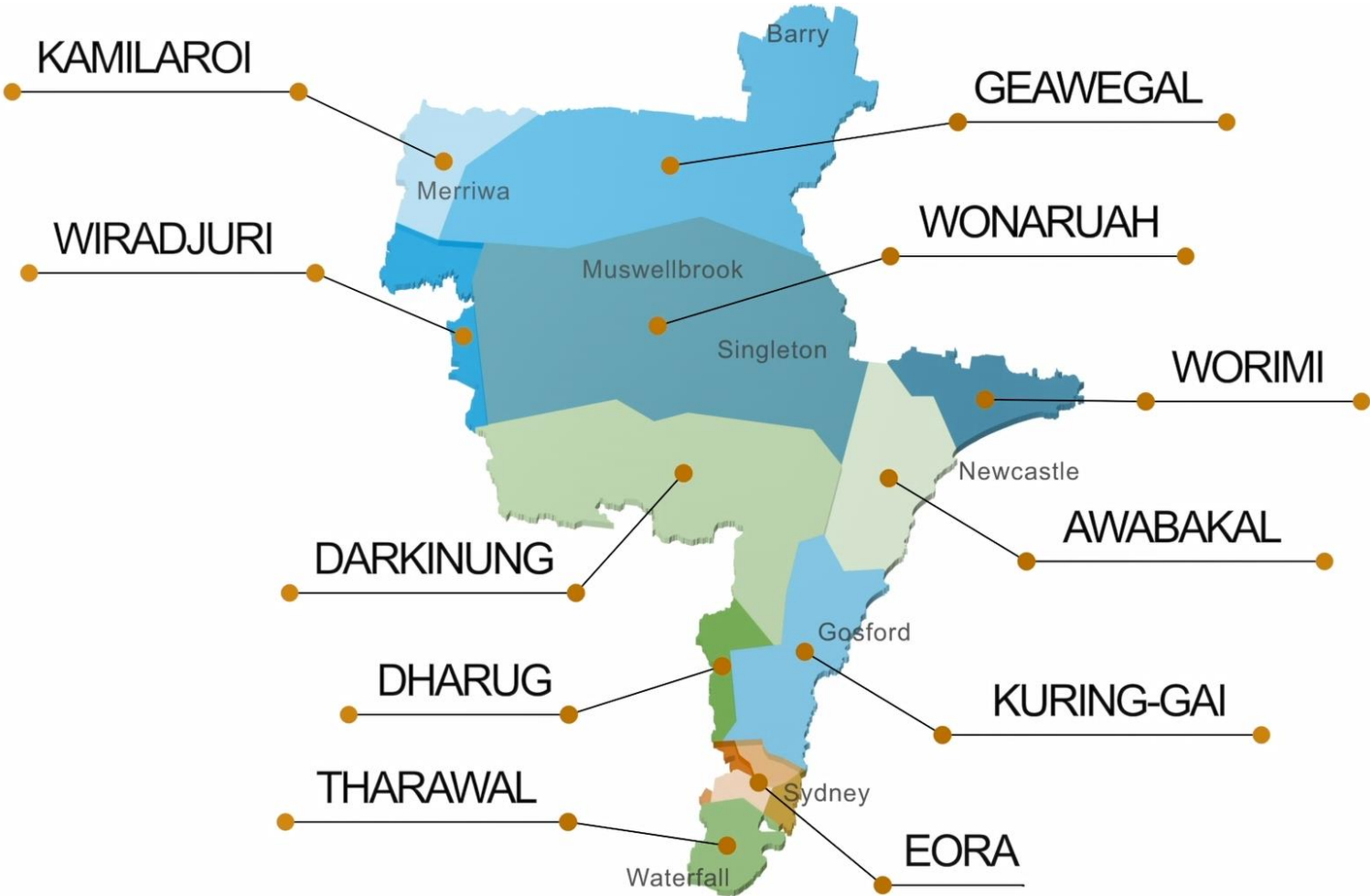
Safety Share

Session purpose

- Share engagement model

- Address questions on operation of model

- Seek CCC support for engagement model

- CCC views will be shared with Ausgrid Board

- Discuss engagement innovation
    - Independent Chair (and selection)
    - Funding for RCP research
    - Report on Regulatory Proposal drafted by RCP

Workshop overview

#	Session	Lead	Timing
1	Welcome, Acknowledgement of Country, Safety Share, Session Purpose	Richard Gross	1:00 – 1.10 (10min)
2	Present model - Revised criteria presentation - Presentation of model and committee functions - Assess model against revised criteria	Rob Amphlett Lewis	1:10 – 1:30 (20 min)
3	Small Group Assessment	Session Facilitators	1:30 – 1:55 (25 min)
Break – 5 min			
4	Satisfaction Scale and identification of potential changes	Session Facilitators	2:00 – 2:50 (50 min)
5	Next Steps - Process to set up new model - Commence Engagement planning	Alex McPherson	2:50 – 3:00 (10 min)

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Criteria revised with workshop feedback

Criteria	The model gives members the opportunity to….
Commits Ausgrid to a high level of business engagement	• access all levels of the business, including the Board, CEO and Executive • influence Ausgrid's long-term priorities and strategy
Builds trust in Ausgrid	• hear how their views and preferences have been considered • challenge Ausgrid in an open, transparent and respectful environment
Allows for genuine collaboration	• build capacity and engage at a level at which members wish to be engaged • set the engagement agenda and co-design solution • obtain appropriate funding support from Ausgrid
Facilitates independent advice	• **seek funding for their own research** • hear from multiple stakeholders on key issues
Values a diversity of views	• present the views of Ausgrid's diverse customer base and be valued for their significant experience • advise Ausgrid in how we engage with our diverse customer base

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Proposed customer engagement model
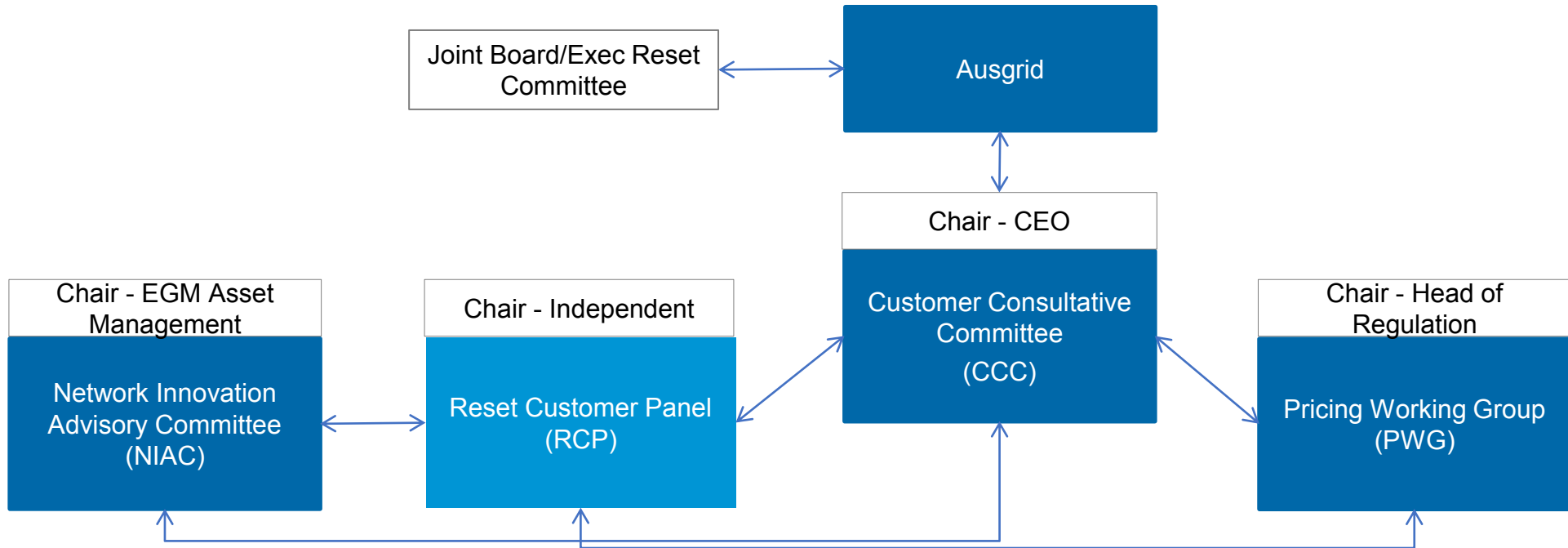
- **CCC** retained as peak consultative body – membership to be refreshed.
- Establishment of the **RCP** with Independent Chair to focus on 2024-29 Reset
- Ausgrid to collaborate with **RCP** and:
  - **NIAC** on current period and 2024-29 innovation program; and
  - **PWG** on 2024-29 Tariff Structures Statement
- Key 2024-29 Reset positions require **CCC** alignment.
- Ausgrid Board members engage primarily with **CCC** on business and Reset strategic issues and decisions

Member Payment: $750/day (or part thereof) to prepare for and attend CCC, RCP PWG and NIAC meetings
Resources: Ausgrid to provide secretariat support for each committee Chair

7

Reset Customer Panel

Role	• Represent the long-term perspectives of our customers and challenge Ausgrid on key issues relating to the 2024-29 Regulatory Determination
Members	• Members to be drawn from CCC members (EOI process) • **Independent Chair**
Support	• Ausgrid secretariat provided
Funding	• Members will be paid $750 / day or part thereof to attend meetings • Payment of Chair will be assessed following review of similar roles
Key Functions	• Form an independent view on the degree to which Ausgrid's Draft Regulatory Proposal, Regulatory Proposal and Revised Regulatory Proposal have been shaped by customer views and preferences • Achieve alignment with CCC on key Reset issues and outcomes (with Ausgrid) • Co-design Customer Engagement Plan • Inform Ausgrid's customer research program and seek their own research/advise (including from AER) in order to understand and best represent customer views • Seek to understand Ausgrid's business including revenue requirements • Enable in depth review and testing of key aspects of the Ausgrid's Regulatory Proposal • Input to the development of the Regulatory Proposal • Provide advice on communications of materials and channels to support diversity of views • **Develop and publish independent reports on Ausgrid's Draft Regulatory Proposal, Regulatory Proposal and Revised Regulatory Proposal**

Reset Customer Panel Independent Chair

Selection	• Selected by Ausgrid from a shortlist of applicants reviewed by a suitably independent body (e.g. ECA, AIG, AER)	
Responsibilities	• Overall effective functioning of the RCP and facilitate proper information flow to the CCC • Achieve alignment with CCC on key Reset issues and outcomes (with Ausgrid) • Encourage respectful collaboration and a diversity of viewpoints to be presented and heard • Lead discussions with Ausgrid on behalf of RCP on issues subject to agreement by all RCP members • Approving the agenda and minutes of each RCP meeting	
Chair attributes	• Credible advocate for consumer interests, significant experience in consumer issues • Highly effective communicator • Record of influence and impact • Effective leader and strong team builder	• Demonstrated capacity to quickly understand technical and complex information • Ability to negotiate decisively and pragmatically • Has worked at executive or board level roles
Remuneration and support	• Ausgrid will fund the role of the Chair and provide a meeting secretariat	

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New model assessed against criteria

Criteria	How proposed model and committee functions meet criteria
Commits Ausgrid to a high level of business engagement	• The Board will be invited to engage with the RCP throughout the Reset process • RCP meetings will be scheduled to maximise Board/Exec attendance • Members can request meetings with Ausgrid SMEs on particular issues
Builds trust in Ausgrid	• Ausgrid will need to report how member feedback is influencing Ausgrid's thinking and decision-making in a timely manner • Members can meet without Ausgrid in attendance, including requesting Ausgrid staff to leave an RCP meeting for a period of time
Allows for genuine collaboration	• Independent Chair has final say on the meeting agenda • The Chair will be provided an Ausgrid Secretariat • Payment is included for all members, valuing each other's resources • The RCP will jointly consider matters of common interest with the PWG, CCC, and NIAC (e.g. TSS and innovation program)
Facilitates independent advice	• Establishment of Independent Chair for RCP, with members drawn from CCC • **RCP has scope to commission advice and seek advice from AER** • RCP can request Ausgrid invite key stakeholders to present to the RCP on relevant matters
Values a diversity of views	• RCP membership (5-7) will reflect diversity of Ausgrid customer base to the extent practicable • RCP will jointly develop the Customer Engagement Plan with Ausgrid, including tools/techniques adopted • The Customer Engagement Plan to incorporate techniques to allow for stakeholders to 'push in' and 'pull out' of engagement • RCP will support engagement and communications planning across multiple channels to allow flexible and varied levels of engagement over time (e.g. in-language engagement)

Small Group Assessment

Satisfaction Scale and Potential Changes

Next Steps

Milestone	Timing
CCC meeting on proposed Model	Today
Feedback on Committee TORs	By end May
Confirm membership of CCC, NIAC, PWG and seek EOIs for RCP	
Recruitment of Independent Chair	May/June
Next CCC meeting (progress update)	2 June
First meeting of RCP	Early July

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CLOSE

Appendices

A.   Terms of Reference - Outline

B.   Committee functions

C.   CCC feedback against original criteria

Terms of Reference - Outline

Overview

Engagement approach

- engagement objective, principles, engagement criteria

Terms of reference for all committees

Customer consultative Committee

- Purpose, Role, Membership, meetings

Pricing Working Group

- Purpose, Mandate, Membership, meetings

Network Innovation Advisory Committee

- Purpose, Mandate, Guiding Principles, Membership, Meetings

Reset Customer Panel

- Purpose, Functions, Membership, Independent Chair, Relationship with other committees, Meetings, Funding and Administrative support

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Proposed key elements of each committee

Committee	Role	Meeting	Relationship with RCP
Customer Consultative Committee	**Role:** Peak body for engaging with customer advocates . **Members:** Customers and stakeholders representing diverse customer perspectives whilst also remaining a manageable size. Will call for new members. **Ausgrid Rep**: CEO, CCO, Head of Customer to attend all meetings, Ausgrid SME's attend as required. **Key activities:** • Input to corporate strategy, policies, service plans and service delivery • Input to customer research and the breadth of customer engagement • Review of resulting business improvement plans • Receive reports on activities of other committees	Quarterly	RCP chair will report to CCC
Pricing Working Group	**Role**: Engage with customer advocates on tariff reform, tariff structures and pricing issues. **Members:** Maintain current membership. **Ausgrid Rep**: Head of Regulation and Pricing Manager **Key activities:** • Development of Tarif Structure Statement and input in to ongoing tariff design and pricing policy • Collaborate with other DNSPs on policy harmonisation	As needed	RCP to collaborate with PWG
Network Innovation Advisory Committee	**Role**: Execution of network innovation program and network transformation initiatives. **Members:** Maintain current membership. **Ausgrid Rep**: Executive General Manager Asset Management, Manager Network Innovation. **Key activities:** • Development of innovation chapter for Regulatory Proposal and input into transformation narrative • Provide advice on prioritisation of innovation projects. • Committee members may also propose additional projects for the committee's consideration. Opportunities for collaboration with other networks may also be identified and acted upon.	Quarterly	RCP to collaborate with NIAC
All committee	**Payment:** Proposing payment of $750/day or part there off to attend CCC meetings, PWG and NIAC meetings **Resources:** Ausgrid to provide administrative support for each committee		
The functions of the Technical Review Committee will be subsumed into the CCC.			

Key elements of Reset Customer Panel

Committee	Role	Meeting
Reset Customer Panel	**Role:** Represent the long-term perspectives of our customers and challenge Ausgrid on key issues relating to the 2024-29 Regulatory Determination. **Members:** Will release expression of interest to CCC members and any new CCC members. Expression of interest for Chair will go out broadly. **Ausgrid reps:** Chief Customer Officer, Executive General Manager Asset Management, Head of Regulation to attend all meetings. Board members from Regulation Reset Executive Committee will attend RCP meetings. Cadence to be determined **Support:** Ausgrid will provide administrative resource to support Independent chair and committee members. **Key activities:** • Form an independent view on the degree to which Ausgrid's Regulatory Proposal has been shaped by customer views and preferences. • Co-design Customer Engagement Plan including, scope of engagement topics and level of engagement for relevant topics and themes and engagement methodology. • Inform Ausgrid's customer research program and if needed, commission new research or advice or utilise CCC member channels to understand and confirm customer perspectives and preferences on key themes. • Input into the development of the Draft Regulatory Proposal, by bringing customer views to key components of the plan and explore potential trade-offs between aspects of a regulatory proposal, based on customer views. • Seek to understand Ausgrid's business including revenue requirements • Test key aspects of the Ausgrid Regulatory Proposal such as, operating expenditure, major augmentation capex projects, revenue path profile, customer experience, customer hardship arrangements and tariff reform. • Provide advice on communication of engagement materials to ensure they are accessible and will encourage customer contributions and can support a diversity of views. • Develop and publish independent reports on Ausgrid's Draft Regulatory Proposal, Regulatory Proposal and Revised Regulatory Proposal • Key deliverables and milestones will be developed with the RCP when it is stood up.	To be determined when RCP established.
Interrelationships	• A member of the RCP will also be a member of the PWG and another a member of the NIAC to ensure there is a channel for RCP input on tariff reform and innovation program as they are developed.	
Committee Support	**Payment:** Proposing payment of $750/day or part there off to attend RCP **Resources:** Ausgrid to provide administrative support for RCP	

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Reset Customer Panel – Appointment of Independent Chair

Committee	Role
Reset Customer Panel	**Independent Chair:** • The RCP will have an independent chair selected by Ausgrid from a shortlist selected by Energy Consumers Australia, business representative organisation (such as Australian Industry Group) and under advisement of the AER. **The Chair is responsible for:** • Overall effective functioning of the RCP including managing the conduct of meetings and facilitating proper information flow to the CCC. • Conduct RCP meetings in a way that encourages respectful collaboration and a diversity of viewpoints to be presented and heard. • Achieve alignment with CCC on key Reset issues and outcomes (with Ausgrid) • Lead discussions with Ausgrid on behalf of RCP on issues subject to agreement by all RCP members • Approve the agenda and minutes of each RCP meeting. • Ausgrid will fund the role of the Chair and provide a meeting secretariat. **Chair attributes:** • Credible advocate for consumer interests, significant experience in consumer issues • Highly effective communicator • Has worked at executive or board level role • Record of influence an impact • Demonstrated capacity to quickly understand technical and complex information • Effective leader • Proven ability to negotiate decisively and pragmatically • Strong team builder The above elements will be drafted in to the Chair's position description

Criteria for assessment for Stream 1 model - version shared 24 March

Criteria	Does the model....	FEEDBACK 24 March
Allows for a **genuine partnership** when designing and assessing options and solutions.	…allow for a participation level of "Collaborate" on the IAP2 public participation spectrum?	Reframe to be more commitment to consumers and contributes to long term strategy Reframe focus on collaboration rather than vaguer 'genuine partnership' Prioritise outcomes that customers value through joint agenda setting
Facilitates provision of **independent advice**	…provide a credible and suitably independent body that can inform and challenge Ausgrid's thinking?	Group should have a mix of skills, own resources and access to independent advice
Can facilitate discussion on a **broad** range of topics, while allowing for in **depth** consideration of issues when needed	…allow for customers to be engaged at an appropriate level of detail, not just 'high level'?	Model should build trust, address power imbalances
Enables a **diversity of customer views** to influence our thinking	…allow for our diverse customer base to be genuinely engaged and supported in the development of the proposal?	Different modes of engagement will be required for each topic Care should be taken to ensure views are genuinely representative
Enables a high level of **business engagement**	…involve all levels of the business, including the CEO and Board, to an appropriate degree?	Frame this as clear commitment
Is **cost-effective** and simple	…represent value for money and an efficient use of time and resources?	Decided to remove criteria as – feedback showed this implied being cheap

NB: Feedback references taken from bd infrastructure - outcomes report

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Appendix 4

Workshop 2 GroupMap Raw Outputs

Concerns or critiques

+

What is the relationship with and role of AER and CCP? Suggestion that AER should participate/observe with the RCP.

Agenda setting co-ordination between committee and scope / time horizon for various committees (LTIC has different meanings ie reg resets vs 2049)

Who is the RCP's report being written to? Recommendation for CCC and AER, not Ausgrid

What is the status of information (ie confidentiality, etc)?

Need clarity around research and innovation

How does this link back to influence on BAU?

Iterative and agile engagement - responding to changing needs

Balancing is critical here (i.e. not going to satisfy everybody all the time)

Views need to be more than considered - commitment to 'collaboration' - demonstrating how views have influenced - links to 'balance'

Board involvement is important

Clarifying questions

+

Whats success ? `1` 👎

review and evaluation process `1` 👎

renewal process 👍 👎

Clarify degree to which RCP is expert perspective on what should/shouldn't be in revenue proposal vs auditing engagement process `5` 👎

What is the governance around the commissioning of research? Scope? Budget: `3` 👎

What is the governance for the RCP to manage their budget? e.g. autonomy vs accountability 👍 👎

How do we achieve greater diversity of membership `2` 👎

How will you go about matching diversity of the membership of the RCP with Ausgrid's customer base, taking into account gender, ethnicity, language, socioeconomic, small/medium/large business and regional? (within a 5-7 member panel) `4` 👎

legitimacy and relevancy to consumers / perspective 👍 👎

regulatory capture - interests of consumers are not always that of consumers 👍 👎

clarity of purpose of each committee so they dont all mush into one `2` 👎

There should be some common membership across the PWG and the RCP. RCP members will always be wearing their RCP hat in PWG meetings `1` 👎

Are we happy that the RCP always goes through the CCC? `2` 👎

Are the communication methods between CCC Subcommittees expected to be strengthened `1` 👎

Critiquing comments

+

Seems to be a lot of process/procedure and not much on outcomes or what the panel is to achieve. 👍 👎

Good intra committee communication will be important to enale advocates to remain updated and supported to contribute 👍 👎

There may be benefit in opening up membership of RCP to those outside of CCC (beyond just the Indep Chair). It allows a broader pool of talent and perspectives to participate `1` 👎

Regarding the report(s) - could the RCP write one report to the CCC to be considered in context of development of proposal and then another to the AER in response to the initial/revised proposal (might be a number of "reports" over the course of the reset. 👍 👎

rather than "hear how views … have been considered" to how they have been "taken into account" or "acted upon" or similar. 👍 👎

How will iteration be managed? `1` 👎

RCP prepares internal reports (ie advice to CCC and AG) and also external milestone reports addressed to the AER. The RCP external reports should be sent directly by the Chair of the RCP to the AER cc to the CCC. Query what transparency should apply to internal reports and any report by the RCP on a draft plan which is outside the AER's formal engagement process.

1

If the RCP notes that Ausgrid's view diverges from the customer views - what then?

When will the RCP's report be done? How will this feed into AG's or the AER's processes?

2

Regarding the report, be good to know what is meant by public.

whats do you mean by builds trust who ?

1

Clarify that its $1500 per day for the RCP

1