

# Minutes

## Customer Advisory Panel – Meeting 1 2025

| Meeting   |  |
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| Date      | Monday 12 May 2025   |
| Time      | 8:30am-4:30pm  |
| Location  | G.02 40 Market Street, Melbourne   |
| Members   | Philip Cullum (Chair), Hilary Newstead (Deputy Chair), Dean Lombard, Helen Bartley, Gavin Dufty, Natalie Collard, Helen Bartley  |
| Attendees | <b>CPU:</b> Renate Vogt (General Manager Regulation), Adam Nason (Head of Customer, Community & Communication), Dan Bye (Head of Customer Connections and Requests), Lauren Fetherston (Head of Regulatory Policy and Compliance), Mark de Villiers (Head Of Regulatory Finance, Modelling & Pricing), Bea Cleeve (Regulatory Policy Principal), Angelica D’Amelio (Regulatory Engagement Lead), Tegan Millar (First Peoples Engagement Lead), Tim McNamara (Regulatory Lead), Chris Gilbert (Regulatory Manager), James Mitchell (Regulatory Lead), Alexandra Antich (Graduate) |
| Apologies | None   |

| Item | Who                           | Item   |
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| 1    | Renate Vogt<br>Phillip Cullum | <b>Scene setting</b> <ul style="list-style-type: none"> <li>Everyone was welcomed to new version of the CAP with each member introducing themselves and each of the business’s engagement team introducing themselves</li> <li>Changes in the business were identified by Renate and a further change was flagged before the next CAP meeting</li> <li>An apology was made by the business for issues with prompt payment of invoices and members were reassured all issues have now been rectified</li> <li>A new term of reference was tabled, and comments were invited from members on the document. Track changes were preferred, and comments were to flow through the Chair</li> <li>Renate noted that the CAP has made a tremendous contribution to our regulatory proposals. She urged CAP members to continue to challenge and test us</li> <li>The smaller sized CAP is preferred as it is more manageable and better from a governance and participation process. The business will continually review its processes, and the CAP is no different. We will continue to remain agile and looking to do things better. We want more effective feedback and agility</li> <li>It was noted Keicha is still involved in the engagement process as Chair of the First People’s Advisory Committee</li> <li>Keicha is still part of the process, but her feedback is through the FPAC process which will feed back up the CAP</li> <li>Some members noted they would like better communication between them and the business, and more focus on policy issues. Members were advised a newsletter will become a staple to keep members informed between meetings and that more policy issues will feature in future agendas</li> </ul> |
| 2    | Angelica D’Amelio             | <b>Annual planning</b> <ul style="list-style-type: none"> <li>Angelica presented the major reset milestones for the remainder of 2025 and the future agendas items for CAP meetings</li> </ul>   |

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|   |   | <ul style="list-style-type: none"> <li>Members questioned whether we had captured all the critical policy events occurring in 2025. We will go away and review the completeness of our policy agenda items</li> <li>Members discussed several emerging policy issues including the form of price control, data centres and data availability which they considered could be worthy of discussion</li> <li>Members queried the timing of future CAP meetings given the reset milestones. It was agreed that we would engage in July and September, and move the December meeting to October or November. This would ensure the CAP input can be meaningfully incorporated in the revised proposals</li> <li>Some members suggested the option of shorter on-line meetings for priority issues that arise in preparation of the revised proposals</li> <li>In addition to more policy issues, Members would like to hear more about the management of uncertainty both now and into the next regulatory period as well as more information on the progress of the First People's initiatives</li> </ul>  |
| 3 | Tim McNamara<br>Chris Gilbert<br>James Mitchell<br>Tegan Millar<br>Mark de Villiers | <p><b>Business response to CAP reports</b></p> <p>First Peoples engagement</p> <ul style="list-style-type: none"> <li>Progress on the First Peoples package was first discussed. It was advised we were already engaging and trialling information sharing and education programs with First People communities. It was shared that future FPAC meetings were planned for June and November and a larger round table in 2026 to progress the First's People's package</li> <li>A question was raised with respect to engagement outside of Powercor. Members were advised of a number of meetings with communities in the United Energy network and that further engagement in the CitiPower network is planned</li> <li>It was asked how CPU's First Peoples engagement compares with other Australian distributors. Members were advised the business sees itself as a leader but is working very closely with like minded organisations such as SAPN and Essential. It was made clear that we don't see First Peoples engagement as competitive and we will share knowledge with anyone</li> <li>There was a broader discussion around energy literacy and CAP members indicated a preference the businesses use the word empowerment or agency instead of literacy which can be perceived as derogatory</li> </ul> <p>Innovation Fund</p> <ul style="list-style-type: none"> <li>The innovation fund was discussed next, with the focus being on a detailed presentation to CAP members at the July meeting</li> <li>Some members expressed some frustration at the pace at which details on governance and processes to support the innovation fund are emerging. There were suggestions CPU look to models at AusGrid and AusNet as good practice and that consideration be given to an element of self-funding by CPU. An explanation was sought on how the 'use it or lose it' provision will operate, the evaluation process for projects and how learnings will share publicly. There was also a question on how funds and projects are apportioned across networks.</li> <li>Finally questions were raised on AI as a potential innovation initiative given the productivity benefits that would accrue to CPU and a request made that new tariff initiatives be considered as a potential project</li> </ul> <p>Community support officers</p> |

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|   |                   | <ul style="list-style-type: none"> <li>• The role of community support officers was discussed next. It was noted the model being deployed has changed slightly with an emphasis now on permanent presence in certain areas and a scalable model for managing major events</li> <li>• Members remained concerned 5 officers seems on the low side and that it struggles to meet demand unless there is effective knowledge transfer and sharing of experiences. Members emphasised the need for continuity and consistency in officers and a high turnover would not assist community acceptance stakeholder mapping and partnerships are essential</li> <li>• It was discussed the AER may not look favourably on the officers and CPU needed to modify its narrative to demonstrate officers improve outcomes for all customers and/or improve agency. There was also a discussion that the officers' role should not lead to dependency amongst communities and that we needed to be sure the type of support being sought can not be provided by others at a lower cost</li> </ul> <p>Tariffs</p> <ul style="list-style-type: none"> <li>• Our tariff structure statement was presented as being responsive to the Victorian Government policy objectives and after that, tackling vulnerability. It was highlighted we are not actively advocating for policy change on cost reflective or export tariffs.</li> <li>• Members challenged CPU that there was greater appetite for reform than what we believe. An argument was presented that the only reason we need a vulnerability strategy is because customers don't have the agency, they need through cost reflective tariffs</li> <li>• Members discussed the potential for 2-way tariffs and subscription tariff offerings which they believe the AEMC is considering as part of its Pricing Review. CPU will reconsider its advocacy efforts on tariffs and its broader links with vulnerability.</li> <li>• Members felt CPU needed to call out the specific aspects of the regulatory framework that drive vulnerability. Consideration should be given to a transition plan in the event the Victorian Government position on network tariffs shifts.</li> </ul> <p>Rural electrification</p> <ul style="list-style-type: none"> <li>• An update on the rural electrification program was presented</li> <li>• Members noted the overlap with this program and the voltage review being undertaken by EWOV/ESC. The link between REFCLs and voltage was also raised by Members and CPU advised this could get worse should ESV proposed operating mode changes be adopted</li> <li>• Members suggested CPU could do more work on the economic growth narrative to support rural electrification. It would be useful to understand how long C&amp;I customers been connected to the network and what does their growth look like and why? It would also be helpful to understand their dependence on gas and their broader diversity</li> <li>• Members questioned how genuine the AER commitment to engagement is if the rural electrification project is not accepted.</li> <li>• There is opportunity for an additional metric that identifies who CPU should engage with. It is important that the business is talking to customers who are making behind the meter decisions and driving the need for network investment.</li> </ul> |
| 4 | Angelica D'Amelio | <p><b>Overview of engagement plan</b></p> <ul style="list-style-type: none"> <li>• A presentation on the agricultural electrification study and four further priority areas for engagement was made to Members</li> <li>• A question was raised with respect to undervoltage and why we were not using our own metrics. CPU highlighted that was the intention of what we</li> </ul>   |

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|   |                       | <p>are trying to do in the undervoltage engagement and move away from the VCR</p> <ul style="list-style-type: none"> <li>• Members raised that while engagement with customers is great and supported, our narratives needed to do more highlighting the broader returns to the community of our investments. We need to triangulate arguments from multiple angles. Other Members highlighted the NER is only about returns to electricity customers, not communities</li> <li>• Members asked when undertaken willingness to pay studies, are we testing satisfaction with customer's current offering.</li> <li>• Questions were raised whether CPU can diagnose undervoltage. What are the parts or unique elements of the network that cause this and where is it occurring locationally? What are the likely technical impacts of undervoltage on customers. Research is great but we have not painted the picture or the narrative before we do the customer research</li> <li>• CPU referred to work completed using AEMO forecasts studying EV impacts on network voltage. The emerging focus is on undervoltage, not overvoltage. The AER is looking for metric on undervoltage and we seeking to identify it</li> <li>• Further questions were raised as whether residential customers understand undervoltage, are other distributors concerned about undervoltage, are their non-network solutions for managing under voltage</li> <li>• A more general question was raised about biases in customers who respond to WTP studies have a natural curiosity in energy issues. The issue was linked to the discussion on People's Panels which members requested a further session on in the future</li> <li>• Members request some further detail on new RACE 2030 project and how it differed from the Monash University work used to support the proposals. CPU provided a brief explanation that this time around the ambition is to integrate customer behaviour into demand modelling</li> </ul> |
| 5 | Lauren Fetherston     | <p><b>Hot water load control</b></p> <ul style="list-style-type: none"> <li>• CPU outlined its current hot water (and slab heating) trial and its plans to expand it through time</li> <li>• Members queries where customers receiving less heating time than previously, and CPU confirmed this is not the case. CPU is also testing the lived experiences of customers as part of the trial</li> <li>• Several members were concerned with the role retailers will play in the trial and who the duty of care to the customer resides with. Concerns were voiced with wholesale market benefits being shared with customers by retailers and what sort of veto does CPU have over a retailer should a network constraint arise</li> <li>• CPU highlighted that DEECA are pushing retailer hot water trials strongly</li> <li>• One member shared that CPU needed to go further on the tariff side and place all the risk with retailers which it was thought would start to see customers benefit through something such as a two-way tariff</li> <li>• Some Members were concerned the focus of this trial is all about retailers and not enough thoughts has been given to the impact on customers.</li> </ul>   |
| 6 | Adam Nason<br>Dan Bye | <p><b>Customer Assistance Package and Vulnerability Strategy</b></p> <ul style="list-style-type: none"> <li>• Customers experiencing vulnerability</li> <li>• CPU discussed its proposed approach to developing a vulnerability strategy and further developing the customer assistance package</li> <li>• It was noted CPU still had some work to do understanding the nature and prevalence of vulnerability, but we had some good work collected over the past 3 years through our engagement program</li> <li>• Members continued to challenge where distributors belong in vulnerability playground.</li> </ul>   |

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|   |            | <ul style="list-style-type: none"> <li>• Members queried what happens to Customer Assistance Package should the AER not approve it. CPU advised there are some 'no regrets' investments but we will need to right size the program based on what is allowed</li> <li>• Members asked whether other distributors in Australia were addressing vulnerability. It was noted many do but its not as neatly presented as though distributors in the UK market</li> <li>• It was raised that if each distributor had its own vulnerability strategy, the treatment of Victorians would be unequal. A counterpoint was raised that Victorian communities are different and there should not be a one size fits all</li> <li>• Members then questioned the prudence and efficiency of the Customer Assistance Package (CAP), whether it was a good return on investment, WTP is meaningless in this context, there are many other agencies that (and do) provide similar services. Unless we can show value stacking CAP does not get up</li> <li>• Other members maintained there is a distinct set of tasks that distributors can do as in the UK.</li> <li>• Members questioned what is our motivation for helping customers, should we be resolving their issues, we are not the first point of call for customers. Do the programs provide value to customers or are we trying to achieve too much. The programs are only going to help a very small number of customers</li> <li>• Members questioned whether community energy groups are really vulnerability?</li> <li>• It was questioned whether CPU really understood the capabilities of welfare agencies. What are the gaps, and can we really fill them?</li> <li>• The role of SEC was raised by Members and the thought process was they have a mandate to do many of initiatives that we are proposing. It was not agreed by everyone that the SEC had the capability to do everything that we could do</li> <li>• Members discussing merging the community fund with the innovation with a new focus being around providing value to customers through the energy transition</li> <li>• Member asked was the concept of vulnerability more a regulatory sandbox thing than a proposal</li> <li>• Some Members questioned with the Customer Assistance Package is a vulnerability package at all. It was seen as a solution looking for a problem</li> <li>• Members believe if CPU had a vulnerability strategy, it would have the pillars and structures to support the Customer Assistance Package.</li> <li>• Some Members believed we would be better served offering a CER market and electrification package rather than a vulnerability strategy. Believes we would be more successful targeting technologies rather than helping customers experiencing vulnerability</li> <li>• Members asked where we better placed to be doing what the Victorian Government has local government renewable energy agencies doing rather than dealing with vulnerability</li> <li>• Members asked that whatever the next stage is, they be closely involved in the evolution of the Customer Assistance Package or the Vulnerability Strategy</li> </ul> |
| 7 | Adam Nason | <p><b>Customer commitments</b></p> <ul style="list-style-type: none"> <li>• CPU introduced customer commitments which intend to include in our revised proposals. The commitments would be stretch based with measures and metric that pass the 'pub test'</li> </ul>   |

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|  |  | <ul style="list-style-type: none"><li>• Members supported the ambition on commitments but also wanted a vision beyond the usual corporate Vision Statement. Where are we going as business/customers</li><li>• Members highlighted the commitments should be purposeful, clear and relevant to the customer (not the business). It was also noted there is more than one customer type</li><li>• There was support for the commitments be inclusive of 'ways of working'. The framing needs to be both behind and in front of the meter. How do you lift me without undermining someone else's agency</li><li>• CPU should be stating we understand you are making 15–20-year investments in your home and we are here to help you get value from those investments</li><li>• A member raised the temporal nature of commitments and how we will manage the changes in the world around us by 2031</li><li>• CPU highlighted an objective this time around is to make sure commitments have larger customer buy-in, less detailed and more marketable outside of the business</li><li>• Members reiterated that value is more important than affordability to customers. There was consideration of the use of equity as a commitment, but views diverged on what it means to different people. Fair, choice and optionality were all considered</li></ul> |
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