

Customer Advisory Panel, Subcommittee – Meeting Minutes

Meeting	
Date	24 August 2026
Time	3:00pm – 5:00pm
Location	Online, Teams
Members	Jo Witters (Chair), Philip Cullum, Dean Lombard
Attendees	CPPALUE: Renate Vogt (General Manager Regulation), Lauren Fetherston (Head of Policy and Compliance), Jeff Anderson (Head of Regulatory Strategy), Genevive Hart (Regulatory Engagement Manager), Tim McNamara (Regulatory Manager), Dan Wotherspoon (Regulatory Lead), Angelica D'Amelio (Regulatory Engagement Lead).
Apologies	N/A

Item	Topic
1	National Electricity Rules Review Package #2: Customer Voice and Regulatory Process The business presented on the Australian Energy Market Commission's (AEMC) Electricity Network Regulation Review Package #2, focusing on customer voice, customer engagement and regulatory decision-making processes. Feedback was sought on opportunities to strengthen the consideration of customer preferences within future regulatory determinations. Members feedback included: - There was continued concern regarding the extent to which customer voice and engagement influences regulatory outcomes, particularly where customers have clearly supported specific investments or initiatives. - Discussion of the current application of prudence and efficiency was had, noting that greater clarity is required regarding how customer preferences contribute to the prudence criteria in regulatory decision making and expenditure assessment. Members considered earlier guidance would improve efficiency and reduce uncertainty throughout the reset process. - There is a need for clearer guidance from the AER on engagement standards, expectations and the types of evidence required to support regulatory proposals. - Support was expressed for greater AER involvement in customer engagement activities, including attendance at engagement sessions, to improve understanding of customer preferences, trade-offs and engagement quality. This included attendance at varying seniorities and roles in the business. There were concerns of the culture of the organisation that required change to consider customer views more strongly. Specifically this included: - A need to lift relevant customer engagement and behavioural insights capabilities and skills at the regulator

- There was a sense of current bias existing in respect of how network businesses are perceived and the value their input on engagement is received
 - It was felt that the AER thought they had a better understanding of what customers need, compared to what the engagement activities reveal.
- It was not recommended that the AER have an employed engagement expert, as this may be too centralised of an approach; however, a broader upskilling and understanding of engagement practices across the organisation was seen as a more acceptable option.
- When considering if some engagement issues should be centralised (e.g. via ECA / AER), the subcommittee shared that it was important to ensure that diversity of customer experiences and needs were reflected in engagement considerations (e.g. which may look different across different networks / regions).
- The AEMC had suggested that Retailers lead engagement with customers on issues instead of network businesses. It was acknowledged that retailers could play a role in the engagement but it was not considered appropriate that this should replace / remove network businesses from engagement activities.
- Value in engagement focussing on customer outcomes, values and trade-offs rather than prescriptive or detailed technical or incentive scheme design. Customers should understand what they are gaining or giving up, rather than how regulatory mechanisms operate.
- Support given for earlier engagement between the AER, Customer Challenge Panel and network businesses during the development of regulatory proposals, particularly where the networks are proposing new initiatives or significant changes.
- Support raised for programs that helps understand customer-derived values and methodologies that better capture customer outcomes not fully reflected within existing economic assessment frameworks.
- Independent oversight of economic values used within expenditure assessments was welcomed. There was a need seen in customer values being developed aligned to good-practice, noting that the AER is not a research expert. There was seen to be value in this work being undertaken by an expert third party. Credibility in the methodology undertaken was seen as essential.
- There was value seen in greater engagement between the AER and Customer Advisory Panels, especially where customer-supported positions that differ from regulatory outcomes. Following the last draft determination, the AER did not take up the invitation to connect with the CAP Chair.
- There has been a refreshed AER vision which includes a statement that the “AER will be a high performing regulator that engages with customers”. There was a strong sentiment that following-through on this statement will be critical.
- Members did not agree with the current early signal pathway criteria as it was not seen as intuitive. Early signalling would be required where there is more complexity and for the AER to give direction on the scope on what’s required to get approval for particular proposals.

	Members supported development of an independent subcommittee submission focused on lessons, observations and experiences from the recent regulatory reset process and customer engagement activities, with recommendations included.
2.	National Electricity Rules Review Package #2: Distributed System Operator (DSO) The business presented on emerging Distributed System Operator (DSO) regulatory frameworks, including proposed incentives, supporting regulatory tools and approaches to managing perceived DSO biases. Feedback was sought on customer outcomes and regulatory design considerations. Members feedback included: - There was general support for the continued integration of DSO activities within DNSPs and considered this approach more practical than structural separation in the current market environment (when compared to others such as in the UK, considered a more mature market with some DSO and DNSPs having structural separation). - In terms of prioritisation of different DSO activities, it was raised that these are unique to different networks, different needs and circumstances. Networks would need to prioritise activities to meet customer needs at different points in time. - Discussion acknowledged ongoing concerns regarding investment bias, market facilitation and data transparency. Members considered governance arrangements and incentives being important mechanisms to manage these risks. - There were questions raised on totex and how this might affect program preferencing of the networks (noting this is a question being considered by the AEMC in its review); however it was acknowledged that there is a thorough regulatory process built with criteria on how programs are approved by the regulator to reduce the bias of an opex and capex program. - Discussion had on the access to data and how much is the data worth. The business was questioning the requirement and value to customers, as customers would need to pay for the capability for the additional data to be available. - Value was seen in transparency and accessible which could be delivered through standard service definitions and standard contract terms. Standardisation was also seen to make it easier to work with parties providing services across states and different networks. - Members discussed the importance of clearly communicating the customer benefits arising from DSO investments and capability development, noting: - Improving the challenge of balancing customer costs with broader whole of system benefits, including consideration of equity issues and defining how benefits are allocated between customers, with, and without consumer energy resources (CER). - How the networks are investing to manage the system better and cheaper. Most people could understand that spending more earlier, can result in spending less later - which was seen as a good thing for customers. - Communicating how the DSO could help customers better utilise their CER.

	Customer engagement was seen as important as DSO functions develops, and noted customer trust, affordability, service outcomes and customer understanding should remain central to future DSO development.
3.	Network Utilisation The business presented on network utilisation and the AEMC's consideration of utilisation incentives within future network regulation. Feedback was sought on utilisation measures, customer outcomes and balancing efficiency with network risk. Members feedback included: - Members supported further exploration of utilisation measures and incentives as a means of encouraging more efficient use of existing network assets, so the networks can present what can be undertaken and why. - It was felt the business had a good view on utilisation incentives because of the high utilisation network being operated. - There was broad agreement that utilisation should not be assessed in isolation and must be balanced against customer outcomes and understanding customer trade-offs associated with higher utilisation levels, including impacts on affordability, reliability and broader system benefits. - Importance seen in clearly articulating the factors that influence network utilisation, including hosting capacity, network constraints, customer demand patterns, technology uptake and service expectations. - Caution raised in one single utilisation target across all networks and consideration should be given to differences between regions, network characteristics, customer types and levels of CER penetration. There was value seen in frameworks being flexible to different network needs and characteristics. - Cautioned raised against simplistic utilisation measures and noted poorly designed incentives risk producing unintended customer outcomes or disadvantaging businesses that have already achieved strong utilisation performance. For example, 100% utilisation target was not seen as a good outcome for customers. It was raised that there needs to be a balance against trade-offs for customer risks and costs of maintenance and degradation.