Future Networks Sub-Panel

Meeting #2 | Summary Notes

Details	Members	AusNet Staff	External Observers
11.30am-2.00pm Monday 15 May 2023 **Online (MS Teams)** **Chair:** Charlotte Eddy **Secretariat:** AusNet	Emma Chessell Gavin Dufty Luis (Nando) Ochoa Dean Lombard Linus Mayes Darren McCubbin Kate Hansen **Apology:** Chris Harvey	Charlotte Eddy Chirag Desai Sonja Lekovic Lucy Holder Eliza Cochrane Andrew Rushton **Observing:** James Bleed	David Prins (*AER's CCP*)

Purpose of Session	
	• To inform you on key updates engagement program updates, and give you an opportunity to ask any clarifying questions
	• To develop a set of focus questions to guide the work of the Future Networks workstream
	• To workshop key customer benefits from CER integration, and what export services we should be offering in 2026-2031

Item	Time	Topic	Lead/s
	11.30am	Welcome, agenda and introductions	Charlotte Eddy
1	11.40am	Other updates *Discussion*	Sonja Lekovic & Lucy Holder
2	11.50am	Deep dive: Developing focus questions *Discussion*	Sonja Lekovic & Lucy Holder
	12.45-12.50am	*Break (5 mins)*	
3	12.50pm	Deep dive: CER Integration Strategy, customer benefits and export services *Discussion*	Chirag Desai & Sonja Lekovic
4	1.45pm	Open floor	Charlotte Eddy
Part 4	2:00pm	Close & next steps	Charlotte Eddy

Summary

Welcome & Introductions

Key points

- David Prins from the AER's Consumer Challenge Panel (CCP) introduce himself to the subpanel members as an observer to the meeting.

Part 1: Other updates

Topics	Discussion points
Network Aspiration	• There was discussion about the language in the aspiration, with the third bullet point having the most generic language that is not that clear. Perhaps the language can be made clearer to explain how customer • The aspiration should be casted back to stakeholders as their document as we go through the engagement. It's a conversation starter that needs to be refined over time to get everyone on board. • There were some concerns about the use of the language 'two-way flows' as it may imply an expectation of enabling any two-way flows, even if not efficient. Needs to be in the context of 'network utilisation' which can 'marry' consumption and exports. • Efficiency should be added to the aspiration for now, to move the dial and capture the sentiment around ensuring efficient two way flows only (and other expenditure in the aspiration).
Updated engagement framework and near-term priorities	• Support for AusNet to do engagement with key groups such as retailers and solar installers to support the work on the Future Panel. AusNet to consider how this engagement can be added in. • Need to make sure this subpanel does not overlap with other subpanels particularly the tariff one. • AusNet to share details on what was approved for AusNet in the last regulatory reset (2021-2026) for Future Networks and how that money is being spent.
Customer insights	• There was quite a bit of feedback around the design of the survey and whether there is more value in expanding the questions around solar constraints and investment to a broader customer group (rather than solar or intending solar customers only) • The questions should be expanded to include options to customers that include various considerations around how customers can unlock more benefit to all customers by, for example, shifting usage during the day or some other flexibility measures. Limited opportunity to ask more useful questions with the way questions are asked around network constraints. • AusNet explained the survey provides a 'gut feel' reaction from customers under the current framing, however, we can continue to refine the survey to build the narrative around possible options to improve solar customer experience. • Important to test with customers all the concepts in the context of 'everyone pays', however there is an indication customer support two-way flows through the research and hence it is right the aspiration includes consideration of it. • There was a question around how much customer research goes into testing of EVs. AusNet to provide data available around intentions to purchase EVs with the subpanel.

- Interesting to see in customer research that of all the themes, renewable energy is still a divided area among consumers and that impacts how we continue to talk about and engage on renewable energy.

Part 2: Deep dive: Developing focus questions

Topics	Discussion points
Developing focus questions	- AusNet explained the process for developing focus questions, including that the questions should be framed as 'how might we', and clarifying that asking the questions does not mean AusNet will do something about it – rather it is a way of testing theme hypothesis. - It was highlighted that there may need to be a precursor to the questions on whether "AusNet should…", to limit risk of 'leading the witness'. - AusNet presented potential themes for the focus questions, based on research and engagement to date. Feedback from the subpanel on the themes included: the need to better explain 'modernisation of the network', including being more specific such as 'using smart grid technology to avoid network cost'; need to consider balancing supply and demand on the network including the impact of CER; understanding how distribution technologies will fit inside a transitioned energy system (i.e. how do traditional and new technologies work together); the need to include resilience in CER integration. - For the remainder of the session, the subpanel split into two groups to draft the Focus Questions. AusNet to finalise the first draft of the Focus Questions and share with the subpanel at the next meeting for further refinement.

Part 3: Deep dive: CER Integration Strategy, customer benefits and export services

Topics	Discussion points
CER Integration Strategy and customer benefits	- Chirag Desai presented AusNet's CER Integration Strategy at a high level and stared the discussion based on proposed new services that AusNet can deliver in the future and the benefit streams it unlocks. - The sub-panel highlighted the need for affordability and overall reduction in price to be a key service highlighted in the strategy, particularly as a new benefit stream for load households. Overall reduction in cost needs to be baked into CER conversations or the discussions will always be one-sided. - Further consideration needs to be given to how load and exports are better 'married up', through use of tariffs or smart network management, to unlock value en mass for all customers. - There is a benefit to a 'network of people' where in a distributed community energy flows can be optimised to make energy cheaper and more efficient for everyone. There is a huge benefit to optimising and coordinating supply and demand in geographic areas. At times, this can be a higher benefit to customers without solar, due to no need to make a capital investment. This needs to be better captured in the CER Integration Strategy. - Exports should never be unconstrained – they should always be constrained within the confines of efficient enablement and where there is a genuine need for exports. As in a market for any services, customers cannot be forced to buy someone's exports.

- Regarding the CECV, there is a different between different consumer types in level of engagement in their exports, that should be considered.

- It is important that customers that upsize their systems for the purpose of exports are given clear communications and explanations that their exports may not be efficient or possible, to better inform their investment decision.

- Important to understand why there is use of static export limits at all if dynamic or flexible export limits are available. AusNet to provide an explanation of this.

- There was a question around whether AusNet will quantify avoided network augmentation as a result of CER integration. AusNet confirmed this will be done as part of the CER integration expenditure business case.

- Important to communicate with developers and new customers in their areas whether there are constraints in their area before those customers make buying choices.

Export services

- There was a question around how considerations of load are considered and forecasted in developing an export hosting capacity. Seems like a circular concept as it is not clear why exports would be allowed in areas where there isn't sufficient load to use the exports. AusNet to provide an explanation of how the import and export flows are captured and balanced in the LV hosting capacity model, and to what level of augmentation are exports captured (distribution transformer, zone substation, etc.).

- Between now and 2031 a lot can change in PV take up, battery prices etc., but at this stage it needs to be about community, consumer and stakeholder engagement, and making sure we understand the issues and making communities aware of them. Solutions will come later down the track, and they may be very different to what we imagine now. Therefore, flexibility is needed in considering solutions but it's important to keep communicating with customers and communities.

- Suggested for AusNet to look at the Oakley Greenwood modelling of the CECV, to understand whether there is value in all exports based on exports getting in the market, whether other large solar is being curtailed etc.

- The AER's DER integration guideline is a starting point and requires nuances to apply it in a way that is meaningful. To that, it is important to understand what is possible with new inverters in terms of responding to network challenges, and the costs of dynamic constraints. In principle, when exports provide value to the system, that is socialised and can be quantified, there is support for them. However, even though the AER has requested the intrinsic hosting capacity, there may not be value in the calculation as it was intended. More detailed understanding and analysis is required at a local level to develop a robust measure of efficiency for network investment, rather than a simplistic response to customers wanting to export more solar.

- Question is whether use of Flexible Exports will result in smaller export allowances for each customer over time, or whether customers on flexible exports get fixed allowance over time.

- This is also part of the tariff reform conversation. The rule changes around this was that in the end, cost reflective tariffs are around any use of the network, whether import or export. Perhaps this would be a different conversation if both imports and exports were prices in a similar manner.

- Need more context around load forecasts and whether exports will be in areas of load. Without the load, enabling exports can be like gold plating.

- There are nuances for customers who want to upsize their systems for wholesale market participation, in which case the customers should pay for the network upgrade.

- It is important to avoid encouraging people to make investments that allow customers to create exports that are higher than what is needed locally in that area.

- To better assess best technical causes of local network constraints for exports, it is important to understand the difference between the use of dynamic operating envelope and static limits where constraints are also applied. Need to better understand the difference between these two types of constraints.

- Regarding the calculation methodology for capacity allocation of dynamic operating envelopes, there is a question around what happens now for load and why should this be any different (i.e. reliability). Important question to answer, because the whole STPIS regime was designed so that there is a disproportionate value for a fixed cost. This does bake in privilege; however it should be tested against a reciprocal approach. The regulatory framework isn't symmetrical today and hence it may be more sensical that export enablement isn't symmetrical either.

Close & Next Steps

Charlotte Eddy recapped the actions and thanked everyone for their time, provided a summary of actions arising from the meeting, and closed the meeting.

Action items			
Action	**Assigned to**	**Status**	**Due date**
AusNet to propose refinement to the Network Aspiration and share with the subpanel for continuous further refinement	Regulation	Not yet started	Meeting #3 (July)
AusNet to outline engagement plan for key stakeholder groups such as retailers and solar installers, as part of the engagement for the subpanel	Engagement team	Not yet started	Meeting #3 (July)
AusNet to share details on what was approved for AusNet in the last regulatory reset (2021-2026) for Future Networks and how that money is being spent	Regulation	Not yet started	Meeting #3 (July)
AusNet to refine options put to customers around solar enablement and constraints in the next iteration of the Energy Sentiment survey	Research team	Not yet started	October 2023
AusNet to provide data available around intentions to purchase EVs with the subpanel	Research team	Not yet started	Meeting #3 (July)
AusNet to refine the Focus Questions and feed back to the subpanel for further refinement	Engagement team	Not yet started	Meeting #3 (July)
AusNet to incorporate consideration of affordability as a key service or deliverable in the CER Integration Strategy, and as a benefit stream for load households	Network Planning	Not yet started	Meeting #3 (July)

AusNet to consider how low cost or free energy can be captured in the benefits assessment for the average customer, with and without CER	Network Planning	Not yet started	Meeting #3 (July)
AusNet to better explain how the CER Integration Strategy captures optimisation and coordination of CER in a geographic area to the benefit of all consumers.	Network Planning	Not yet started	Meeting #3 (July)
Important to understand why there is use of static export limits at all if dynamic or flexible export limits are available.	Network Planning	Not yet started	Meeting #3 (July)
AusNet to consider how they can share and communicate local network constraint data to customers in certain areas to help them make a purchasing decision on solar.	Network Planning	Not yet started	Meeting #3 (July)
AusNet to provide an explanation of how the import and export flows are captured in the LV hosting capacity model, and to what level of augmentation are exports captured (distribution transformer, zone substation, etc.)	Network Planning	Not yet started	Meeting #3 (July)
AusNet to organise a more technical deep dive on the hosting capacity, export enablement and balancing between export and load.	Network Planning	Not yet started	TBC

Other items on radar

- Need to limit double-up of topics for engagement between the different subpanels, particularly the Tariffs and Pricing subpanel
- Need to ensure resilience at time of electrification and CER integration is incorporated into the discussions of the Availability panel

Padlet Board

Panel members were encouraged to add comments, challenge and questions to the Padlet online whiteboard ahead of and following the meeting, which can be accessed here or via the QR code at right.