



GAAR 2028-33

GAAR Development Panel (GDP)

Summary Notes | Meeting #4

Details	Members	AusNet Team
9am to 1pm Tuesday 9 June 2026 In-person only Chair: Nicole Wallis Secretariat: AusNet Meeting summary prepared by AusNet and finalised by Chair Nicole Wallis.	Nicole Wallis (Chair) Damian Sullivan Gavin Duffy Kellie Larsen Observers: Apologies: Andrew Richards David Prins* Nickolas Innes (AER observer) Guest speakers: Item 4: Martina McCowan**, AEMC Ashwin Raj**, AEMC Item 5: Daniel Guppy, Blunomy Constanza Iribarren**, Blunomy Youssef Miftah, Blunomy	Jacob Clifton, GM Public Affairs Moyo Tian, GM Strategy & Regulation (Gas) Eliza Cochrane, Price Review Manager Ben Ryan, Manager Policy & Regulation Zoe Wright, Manager Strategic Engagement & Insights Kyle Olsen, Senior Engagement Specialist
*Shared views in advance with the Chair who represented these in the meeting		
** Joined the meeting online		

Key outcomes

The GDP:

- Supported the forward plan for agenda items and discussions, and the proposed approach to engaging with the Gas Stakeholder Roundtable.
- Provided feedback on and expressed support for AusNet's proposed demand forecasting methodology.

Purpose & Agenda

Time	#	Item	Outcome	Facilitator/s
9:00	1	Welcome & opening remarks		Chair
9:10	2	Political update – current summary of policy and direction	To provide an overview of the current state of gas policy and direction from different political parties	Jacob Clifton
9:30	3	Review of forward agendas, including plan for Stakeholder Roundtable and site visit	Provide an overview of the forward agendas, and seek feedback on the plan for future Roundtable meetings and a site visit	Kyle Olsen
10:00	4	AEMC presentation on Gas Networks in Transition directions paper	AEMC to provide an overview of their Gas Networks in Transition directions paper and to discuss the implications of this on AusNet	AEMC
11:00	5	Demand forecast	To provide an overview of our demand forecast work and seek GDP feedback on its development	Ben Ryan & Blunomy
12:30	6	Open floor, next steps and close		Chair
12:35		Lunch		

Summary of discussion

Topics	Discussion points
1. Welcome & opening remarks	GDP Chair, Nicole Wallis welcomed the group and outlined the main purpose of today's meeting – in particular, for the panel to provide feedback on AusNet's demand forecast approach and methodology. AusNet's Moyo Tian noted that AusNet had submitted its reference service proposal to the AER, which is now open for stakeholder submissions. Moyo shared that the positions for the reference service proposal were unchanged to what was shared with the GDP in March and in May, and that the proposal included a summary of the engagement feedback received from the GDP and the Stakeholder Roundtable, as well as links to the meeting notes. As such, AusNet have not requested the GDP to provide a submission on the reference service proposal. One panel member saw benefit in a brief submission from the GDP. However, the consensus of panel members was that the benefits suggested were not sufficient to warrant a submission. Moyo also provided an update on AusNet's progress on the recruitment of a new GDP member.
2. Political update – current summary of policy and direction	AusNet's Jacob Clifton provided an overview of the current policy directions proposed by the major political parties in relation to gas, both in Victoria and at the federal level, which was an action from a previous GDP meeting. Discussion: • General discussion on current government and opposition gas policy. • GDP panel members asked about the impact to energy policies (e.g. the Victorian Energy Upgrades (VEU) scheme, State Electricity Commission (SEC) initiatives). AusNet answered that aside from the gas connections ban for new homes and appliance replacement requirements, other parties' positions on these specific energy policies remain unclear. • The GDP asked how AusNet was considering the November election in planning for the GAAR proposal, AusNet replied that the Proposal will be based on current legislated policies, but that there would be opportunities to update key inputs (e.g. demand forecast) in 2027 should material changes arise. The GDP noted that the timelines to turn around any material policy changes would be challenging for the AusNet team to incorporate.

3. Review of forward agendas, including plan for Stakeholder Roundtable and site visit

AusNet's Kyle Olsen provided an overview of the forward plan for upcoming GDP meetings and topics. The GDP also considered three options for a site visit to view gas infrastructure works.

Kyle provided an overview of the forward plan for the Gas Stakeholder Roundtable and sought GDP feedback on the proposed approach.

Discussion:

- The GDP noted that the December/January period is busy ahead of the planned release of AusNet's draft plan. It was agreed to schedule additional GDP meetings in both December and January to allow for any additional discussions if required.
- The GDP supported the forward plan and overall structure of meetings.
- The GDP noted they were flexible with the various site visit options but showed a preference to option 'C' – a site visit to connection/abolishments works, potentially combined with a visit to a large user alongside an upcoming GDP meeting. The GDP preferred option C as they noted it seemed to be the most time and cost-effective option, while still allowing them to see works relevant to future GDP discussions.
- The GDP agreed with the proposed approach, topics, and Chair arrangements for future Gas Stakeholder Roundtable meetings.

Actions:

- AusNet took an action to schedule an additional GDP meeting in both December 2026 and January 2027.
- AusNet took an action to organise a site visit for the GDP.

4. AEMC presentation on Gas Networks in Transition directions paper

Martina and Ashwin from the Australian Energy Market Commission (AEMC) provided an overview of their *Gas Networks in Transition* directions paper. This overview covered the context and scope for a rule change, and the AEMC's proposed direction for reforms to the regulatory framework which will apply first to the Victorian GAAR 2028-33. Materials for the session were adapted from the AEMC's [public forum](#) on the directions paper.

The GDP left with a better understanding of the directions being proposed by the AEMC to the regulatory framework, and how this will affect the GAAR process.

Discussion:

- The GDP asked about the definition of underutilised or "partially redundant" assets. The AEMC noted that while this definition has not been finalised, it would likely be linked to material, non-transitory demand decline for gas network services.
- The GDP asked about where the review ultimately stands on who bears stranded asset risk in the transition. The AEMC described that the reform package intends that, where businesses face stranding risk, they can manage the risk through depreciation and other capital recovery tools, but that ultimately the risk rests with the business, and the framework does not guarantee that these risks can be fully recovered through customers.
- The GDP asked clarifying questions on redundant capital, particularly in situations where only a small number or a single consumer remains connected to an asset. The AEMC noted that the tariff reforms were intended to highlight the existing concept of comparison to "standalone costs" as an upper bound for tariff design, but that any regulations related to decommissioning were out of scope for this review and would be considered later.
- The GDP asked if capital is made redundant whether the service provider wears the cost or whether costs are shared. The AEMC shared that in the current rules there is cost sharing attached to the full redundancy concept, but that this is unclear for the partial redundancy concept.

5. Demand forecast

AusNet's Ben Ryan provided an overview of the context for demand forecasting for the gas network, including regional variation in residential demand and types of commercial customers on AusNet's network, before introducing Blunomy as the external consultant developing these forecasts.

Blunomy's Daniel Guppy and Youssef Miftah outlined their approach to demand forecasting, including assessing historical trends and customer behaviors to inform a forward-looking scenario model to forecast demand.

Discussion:

- Overall, the GDP supported the range of factors that Blunomy is considering in the demand forecast modelling, including population growth, policy settings, energy prices, weather and other relevant drivers.
- The GDP supported the approach of using four long-term demand scenarios (draft scenarios presented can be found in appendix 1) to understand how customer demand may change over the next 20 years.
- The GDP and Blunomy discussed many considerations for the demand forecast. This included:
 - How the forecast could best incorporate existing AusNet work, including insights from the customer segmentation research. AusNet confirmed this would be incorporated in the methodology.
 - How Industrial electrification trends, and external data available from sources such as Australian Renewable Energy Agency (ARENA) and publicly available targets of large customers, would be considered in the demand forecasts.
 - Different ways to attempt to capture how usage patterns and appliance replacement behaviour differs between owner-occupiers and tenants in the forecast.
 - Different types of constraints which could influence the pace of transition including barriers to electrification including availability of tradespeople.
 - Approaches for capturing weather, seasonal variation, and relevant government policy settings in the forecasts.
 - Where possible, incorporating variation in gas and electricity wholesale and appliance prices in the forecast as part of the demand scenarios, which Blunomy and AusNet confirmed is part of the methodology.
 - AusNet confirmed they were not considering a long-term scenario where there was no level of demand reduction versus today, or growth, considering the current legislated policy environment in Victoria and observed customer trends for reducing gas usage.
- The AusNet team and Blunomy agreed to consider all the feedback shared by the GDP on the forecasting methodology and scenarios and will determine what is feasible to include.
- The GDP noted that the narrative was strongly focused on electrification and suggested framing demand reduction more broadly, recognising that multiple factors may contribute to gas demand substitution in the future including customers switching to bottled gas (LPG).

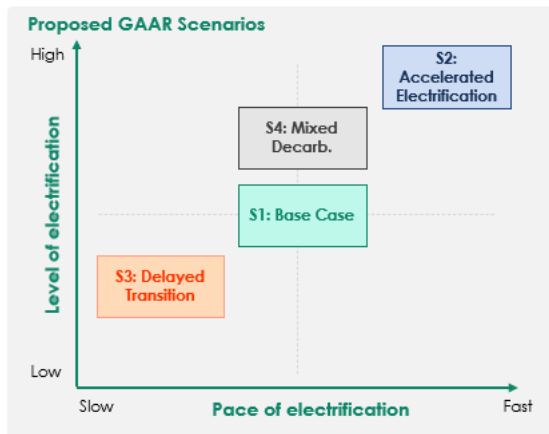
6. Open floor, next steps & close

Nicole summarised actions and closed the meeting.

Action items

	Action	Assigned to	Status	Due	Date raised
1	Schedule additional GDP meeting in December and January	AusNet	In progress	23 June	9 June
2	Organise GDP site visit	AusNet	In progress	15 July	9 June
3	Update the publicly available engagement plan once customer workshop plans are finalised.	AusNet	In progress	GDP meeting #5 (15 July)	1 May
	Possible future agenda items:				
4	- A site visit/s - Forecasting the main points of political contention and policy uncertainty in the lead-up to the 2026 state election. - Debriefing on the AER's Final Decisions for AGN SA and EvoEnergy (due May 2026).	AusNet & Chair	Ongoing	Ongoing unless marked otherwise	Various

Appendix 1 – Demand forecast scenarios



Scenario Rationale

AusNet has experienced a significant decline in gas demand over the current regulatory period, and the future trajectory remains highly uncertain. To navigate this, AusNet has developed four scenarios framed by two critical axes of uncertainty.

Pace of electrification

Represents the **pace of change**. It captures how quickly customers respond to policy (e.g., Gas Substitution Roadmap) and the rate of technology adoption. This determines the timing of volume decline and impacts on the network.

Level of electrification

Represents the **depth of change** across customer segments. This ranges from simple residential appliance swaps to the transition of hard-to-electrify industrial processes. This determines the ultimate floor for gas demand.

Scenario

Detail

S1: Base Case	- Residential and commercial customers electrify driven by Victoria's policy agenda and appliance turnover - Hard-to-electrify customers (industrial and large commercial) expected to remain on the network - Forecast is calibrated to local network demographics and connection data
S2: Accelerated Electrification	- Declining technology cost and strong government policy response accelerates decarbonisation trajectory across customer groups - Residential & commercial customers electrify faster than central case, with proactive electrification ahead of appliance end-of-life driven by VEU incentives and declining cost - Industrial customers that are able to electrify do so, driven by favorable project economics
S3: Delayed Transition	- Poor economic conditions mean customers only replace appliances on failure, slowing residential & commercial volume decline - Government programs have limited influence on household behaviour; VEU and related program uptake is below expectations - Network retains a higher volume floor than the central case - Industrial volumes impacted by slowing economic conditions
S4: Mixed Decarbonisation	- Residential and commercial segments undergo accelerated electrification (matching S2) driven by consumer sentiment and government policy response - Industrial and hard-to-electrify customer remain resilient and look to remain on the network - Future where the network primarily would serve industrial / heavy commercial hubs