

Agenda & Minutes

Innovation Advisory Committee | Meeting #8

Thursday 13 June 2024

10:30am – 12:00 noon (1.5 hours)

Microsoft Teams

Attendees:

Scott McKenry, *Eastern Alliance for Greenhouse Action*

Damian Sullivan, *BSL*

Lara Kruk, *Jacobs*

Dean Lombard, *Energesis*

Jo Witters, *AEMO*

Emma Chessell, *Independent*

Theodora Karastergiou, *Jemena*

Heather Smith, *Energy and climate change specialist*

Maxine Di Pettta, *Clean Energy Council*

Nando Ochoa Pizzali, *University of Melbourne*

AusNet representatives:

Charlotte Eddy, *General Manager Regulation & Policy (Distribution)*

Ana Erceg, *Future Network Programs Manager*

Shuyi Li, *Lead Engineer Future Networks*

Michaela Jackson, *Senior Engagement Specialist*

Lia Mavrias, *Graduate*

Apologies:

Tom Bakker, *Aurecon*

Item	Time	Topic	For	Presenter
	10:30am	Welcome , customer moment & actions from meeting #7	Information	Charlotte Eddy
1	10:35pm	Innovation pipeline Review and update of pipeline and DMA allowance	Information & discussion	Ana Erceg
2	10:45am	Electri-fair-cation Project update	Information & discussion	Ana Erceg
3	10:55am	Critical infrastructure battery project Gippsland Water	Information & discussion	Shuyi Li
4	11:05am	EDPR 2026-31 Future Networks Panel update	Information & discussion	Dean Lombard
5	11:10am	EDPR 2026-31 & IAC a) Update on innovation proposal b) Looking ahead - IAC's purpose & criteria for innovation projects	Information & discussion	Charlotte Eddy
	11:55am	Other business and close	Information & discussion	Charlotte Eddy

Welcome, customer moment & actions

Charlotte Eddy, AusNet General Manager Regulation and Policy (Distribution) welcomed participants to the meeting, gave an Acknowledgement of Country and outlined the agenda. Three new members were welcomed to the IAC and all participants introduced themselves to each other. AusNet's Michalea Jackson shared a customer moment which featured new insights about customers' intentions regarding load shifting, from the latest AusNet Energy Sentiment Tracker 2024 (May).

A panel member commented that customer's view on how able they are to change when they use energy depends on their understanding (or misunderstanding). They gave the example whereby customers might think they are load shifting by using hot water at a different time, as opposed to when the water is heated. Another panel member asked how AusNet arrived at the value of the incentives? Did we suggest or did customer nominate how much of an incentive they would require? AusNet responded via the chat that survey respondents nominated the incentive amount.

Action items from Meeting #7 were complete, or to be discussed during this meeting.

Item 1 | Innovation pipeline – review and update of pipeline and DMIA allowance

AusNet's Ana Erceg updated members on the innovation pipeline and projects funded by the Demand Management Innovation Allowance. Ana highlighted the importance of work being conducted on the low-voltage network to ensure we maintain a safe, reliable supply, but do so in a cost-efficient way. She explained that to do so, AusNet need better visibility and understanding of how the LV network operates so that we can operate better under new conditions. Ana also mentioned a Telecommunication Support Battery project is under development (and will be discussed further in item 3).

Discussion

- The status of the innovation pipeline and DMIA projects attracted considerable interest from IAC members, including on:
 - Whether the advanced metering infrastructure (AMI) data project and or the modelling project allow SCADA capex (capex associated with network control and protection systems assets) to be avoided, and/or if it can be avoided in the next period?

AusNet's Ana Erceg responded that the project will not avoid SCADA capex but the models will enable better spending decisions. They will also help accommodate more solar and EV without upgrading the network by enabling smarter investment decisions and solving issues within the low-voltage (rather than medium or high-voltage) network. The LV battery program is an example that helps to identify gaps and inform how we can apply learnings more broadly across the network. Shuyi Li added that innovation projects also need to be strategic longer-term projects, rather than shorter term projects.
 - Regarding the Telecommunications Battery Support project another panel member asked whether communities were involved, adding they were trying to foster discussion with the NBN and that they are keen to access learnings from AusNet, the NBN and communities. A second panel member indicated their interest in this initiative and advised they will contact AusNet to discuss this further in future. A third panel member asked what the technical solution (for the telecommunication battery support) will involve and if it is a similar solution for water utilities.

AusNet's Ana Erceg indicated that that they are undertaking the technical and detailed design currently for the Telecommunications Battery Support, which involves standalone power systems (SAPs). She also advised that engagement so far with NBN was related to key critical infrastructure but a community consultation will follow. Further details regarding water utilities are to be provided in Item 3.

Item 2 | Electri-fair-cation project update

AusNet's Ana Erceg updated members on Electri-fair-cation, outlining progress and highlights to date. This included a strong emphasis on local communities where the project was taking place and the partnership approach with Morwell Neighbourhood House (MNH). A shortlist of local tradespeople and suppliers have been contacted and a scorecard is being developed in conjunction with MNH. AusNet is currently working on estimated cost savings per household.

Discussion

IAC members indicated strong support for and interest in the project:

- One panel member commented that thermal components are likely to be a considerable part of household upgrades and asked about a budget for draft proofing and an approach to modelling reduction to peak demand post-upgrades. The panel member shared a link to a [ClimateWorks](#) report from December 2023 via the chat and a graph highlighting the estimated average reduction in peak demand from thermal upgrades

AusNet's Ana Erceg responded that the project will likely include minor energy improvement updates such as drafting, after which data will be collected and analysed as a separate initiative. Ana also shared that ClimateWorks will take part in the next Project Control Group meeting.

- After commending AusNet on progress with this project, another committee member asked about barriers and issues, such as speaking with residents and landlords, which is a key element of the project. They encouraged AusNet to document these learnings and strategies for addressing these challenges and barriers.

Ana thanked the committee member and spoke to an example whereby a resident didn't understand that they will be billed a gas service fee even if they do not use gas.

- Another committee member emphasised the value of partners like Morwell Community House and requested future updates. The panel member then expressed concern over overloaded transformers and suggested a 2KW per customer allowance as electrification progresses.

Ana responded by proposing using data resulting from this project for more informed planning in future.

- Other panel members similarly supported the progress being made and highlighted the need for longer-term community engagement and asked whether MNH had helped engage tradespeople.

Ana responded that there was a clear message from the community that they wanted to engage local tradespeople. She added MNH does customer engagement and Gippsland Climate Change Network is partnering with us for suppliers. Ana also confirmed that to date the project had not encountered any tradespeople hesitant to electrify homes.

Item 3 | Gippsland critical infrastructure battery project

AusNet's Shuyi Li shared details of the Gippsland critical infrastructure battery project, which aims to secure water network infrastructure during unplanned outages with community batteries. She shared climate modelling maps and explained that climate hazard forecasts had helped to identify key areas that AusNet could support. Shuyi outlined the implementation of Pad Mounted LV Batteries, emphasizing the critical role of engagement with Gippsland Water in selecting the installation site.

Discussion

This agenda item also generated considerable interest from committee members.

- AusNet confirmed that there will be further opportunities to collaborate with critical utilities for other locations in Victoria. The specific details of which will be determined through a resilience review along with analysis of customer impacts and economic factors to ensure we are delivering maximum benefit for reasonable cost. These plans will be outlined in our next Electricity Distribution Price Review.

- A panel member asked about future funding, commenting that they think this project is not particularly innovative, and asked about the need for batteries alongside generators. They also emphasized the importance of information flow between sites.

Shuyi noted Gippsland Water's transition away from diesel generators and budget constraints. AusNet's Charlotte Eddy confirmed this project is the first time we have implemented this solution and it may become business-as-usual going forward. The panel member suggested that a resilience fund could be established in future.

- Two committee members asked about battery sizing and network support, specifically if Gippsland Water remove their generator, will their battery be sized at full-storage.

Shuyi explained the battery can be used for network support and as solar soak in normal conditions. She confirmed that the battery is for weather or storm-related outages and it is within the current project scope to ensure that the battery is always half-charged, should such outages occur.

- Other panel members commented on the need for critical infrastructure support, and welcomed further conversations around who would pay.

Item 4 | EDPR 2026-31 & IAC

- IAC committee member Dean Lombard, who is also member of the EDPR 2026-31 Panels and the Coordination Group, provided an update on recent work by the Future Networks Panel. He outlined the Panel's progress in addressing 5 focus questions and in doing so highlighted the panels work on demand changes related to electrification, supporting community energy projects efficiently, and integrating renewable energy sources while considering new regulatory frameworks. Discussions also emphasised balancing flexible solar exports with appropriate tariff structures and evolving the network's role towards dynamic management of distribution services.
- AusNet's Charlotte Eddy agreed to update the IAC on responses to each of the focus questions. She also shared feedback from panel members that AusNet should be more ambitious regarding an innovation allowance - noting the AER had approved Ausgrid's an innovation allowance of \$18m.
- Charlotte advised AusNet is still determining the details of its proposed innovation allowance and intend to use an upcoming process off-site meeting in August to discuss balance across the proposal and 'sense check' justification of its elements.

A panel member commented that they feel it makes more sense to start with what work needs to be done, then determine an amount, rather than starting with a figure. Charlotte agreed and also advised that AusNet is not proposing changes to the IAC governance structure in the next regulatory period.

- Owing to the interest and discussion associated with earlier agenda items, the decision was made to instead use the Padlet to capture comments around IAC's purpose and criteria for funding, and for this conversation to be continued at the next IAC meeting in October.

Item 5 | Other business & close

AusNet's Charlotte Eddy thanked members for their time and the meeting was closed.

Action items

Action	Assigned to	Status	Due date
AusNet to share the details of its proposed EDPR 2026-31 innovation allowance with IAC panel members	Reg Team	Open	IAC meeting #9 (15 Oct)

AusNet update the IAC on responses to each of the Future Network's focus questions	Reg Team	Open	IAC meeting #9 (15 Oct)
IAC members to share comments around IAC's purpose and criteria for funding in the lead-up to Meeting #9	IAC members	Open	IAC meeting #9 (15 Oct)