

Agenda & Minutes

Innovation Advisory Committee | Meeting #4

Tuesday 14 February

2.30pm - 4.00pm

AusNet Services, Southbank / Microsoft Teams

Attendees:

Andy Dickinson, *Jemena*

Heather Smith, *Coalition for Community Energy*

Greg Hannan, *Citipower, Powercor & United Energy*

Scott McKendry, *EAGA*

Prof. Luis (Nando) Ochoa Pizzali, *University of Melbourne*

Dean Lombard, *Independent panellist*

AusNet representatives:

Charlotte Eddy, *AusNet (Chair)*

Ana Erceg, *AusNet*

Michaela Jackson, *AusNet*

Thang Pham, *AusNet*

Mary Masters, *AusNet*

Jade Park, *AusNet*

Shuyi Li, *AusNet*

Apologies/ Declined:

Greg Camm, *EDPR 2021-26 Customer Forum*

Tom Bakker, *Aurecon*

Emma Chessell, *Climate Works (TBC)*

Emily Perrin, *Clean Energy Council*

David Bryant, *Brotherhood of St Laurence*

Rod Jones, *AusNet*

Tom Hallam, *AusNet*

Fran Duiker, *AusNet*

Lucy Holder, *AusNet*

Champi Elwela, *AusNet*

Item	Time	Topic	For	Presenter
	2.30pm	Welcome , customer moment & actions from meeting #3	Information & discussion	Charlotte Eddy & Thang Pham
1	2.40pm	Third-party research highlights - innovation findings & insights; learnings associated with flexible exports	Information & discussion	Mary Masters
2	3.00pm	Feasibility of location-based opportunity assessment for neighbourhood batteries project	Information & discussion	Shuyi Li
4	3.10pm	The energy transition – customer preferences & network challenges Recap & validation	Information & discussion	Michaela Jackson
5	3.20pm	Allocation of remaining EDPR 2021-26 innovation funds	Information & discussion &	Ana Erceg & Michaela Jackson
6	3.45pm	IAC – review of 2022 and looking ahead	Information	Charlotte Eddy & Michaela Jackson
	3.55pm	Other business and close	Information	Charlotte Eddy

Welcome, background and customer moment

Charlotte Eddy, IAC Chair, opened the meeting with an overview of the agenda. She provided an acknowledgement of country and reviewed actions from Meeting #4 (October 2022), noting that several would be discussed in this meeting.

Regarding the action for AusNet to provide additional information on the Gembrook community energy study, after it is released by the Department of Environment, Energy and Climate Action (DEECA; formerly Department of Environment, Land, Water and Planning), AusNet advised that they have submitted their detailed feasibility assessment to DEECA and it should be publicly available by DEECA in April 2023.

AusNet's Research Specialist Thang Pham presented a customer moment, outlining key insights from a customer segmentation research project and five distinct customer groups that have been identified as a result.

Discussion

A member asked if AusNet could reflect on the timeframe for releasing additional information on the Gembrook community energy study, noting that taking six months to release this information didn't seem like an innovative way of working. AusNet agreed to investigate and see if it was possible to share this information earlier.

Item 1 | Third-party research highlights - innovation findings & insights; learnings associated with flexible exports

AusNet's Distributed Energy Resources (DER) Engagement Lead, Mary Masters, shared insights from third-party research by Engevity on how AusNet can encourage customers to become more active participants in DER, and to their benefit. This included the importance of relationships with high-performing installers. AusNet's trial with flexible exports also provided valuable insights from customer and installer perspectives. Insights included that many customers were unaware of export constraints prior to installation and that among customers potentially eligible for the trial, 65% had unauthorised exports (a figure consistent with other DBs).

Discussion

This topic generated considerable discussion among members:

- One member asked what is the proportion of non-compliant installations (as opposed to exports)? They also asked if AusNet has these numbers their approach to managing this issue? AusNet agreed that there are different forms of non-compliance and advised the organisation would be using a 'carrot and stick approach'. This would include installer engagement (providing the right information, upskilling installers) and implementing algorithms to monitor non-compliance more carefully on the network. The member subsequently asked how much of an issue non-compliant installations were, to which AusNet indicated they are actively working to manage what is a material issue. While AusNet indicated they do not have data specific to non-compliant installations, it is thought unlikely that there would be any significant difference between AusNet and other networks.
- Another member commented that they were surprised at the non-compliance numbers presented. They subsequently suggested that further consideration be given to community energy groups as trusted voices in communities (about DER and the network). However, the member noted that community energy groups don't have an online portal (as do installers) or daily interactions with AusNet. They asked how other trusted voices can become intermediaries and develop stronger relationships with AusNet? AusNet thanked the member for this suggestion and agreed that this suggestion warrants further consideration. The same member also noted that AusNet had learned much and asked what these learnings are changing in AusNet? AusNet responded that their adoption of flexible exports as BAU is a positive start. They acknowledged AusNet can improve their technology and processes around smart DER but are working on it and that the change is cumulative. AusNet also noted that there is a new [community energy](#) page on the AusNet website to help community energy groups access the correct channels at AusNet, and ways to improve this further are being explored.
- Another member indicated they would welcome a conversation regarding the barrier whereby people think they 'can't export' and whether there is an opportunity to collaborate on more coordinated approach for more vulnerable householders. AusNet thanked the member and agreed that this is a good action to take.

Item 2 | Feasibility of the location-based opportunity assessment for *neighbourhood* batteries project

AusNet's Senior Future Networks Engineer, Shuyi Li, shared an update on the location-based opportunity assessment for neighbour batteries project, first outlining key drivers for the project and challenges associated with the growth of rooftop solar. Criteria for selecting the trial locations of LV batteries were then outlined, i.e., high solar penetration, capacity constraint, large substation of 100+ customers, and reverse power flow.

Discussion

- A member asked if AusNet would consider voltage as an assessment criterion, gave an example of a person who lives quite close to the transformer who is losing power each year because of voltages, and asked how this could be addressed. AusNet confirmed that voltage is one of the assessment criteria they consider, that batteries are a solution as are Stand Alone Power Systems and that assessment and deployment of those systems are occurring, especially to remote communities.
- Another member asked for confirmation that AusNet is looking at active power only, then asked if AusNet is also going to look at reactive power of the battery and therefore changed voltages? AusNet confirmed they are looking at composite batteries with the capability of transferring power from one place to another, which could assist with unbalanced load.
- A member acknowledged that this project is a trial but asked what AusNet's vision is in terms of who eventually will own the battery? AusNet responded that they are exploring business models for battery operation and that there are four main models:
 - DSNP owns; DNSP operates;
 - DNSP owns; leases to a third party to operate;
 - Third-party owns; third-party operates;
 - Third-party owns; leases to network for network support.

AusNet advised they are open to all options but will do further assessment and contact the market to determine what will deliver the most benefit for customers and the network.

- A member asked, when upgrading transformers, might this risk 'exporting' the problem to the next level e.g., medium voltage, zone substations? They asked where assets are up to, how much capacity is required per house, if that has been factored into our thinking about trial locations or if we have selected different typologies in our trial. AusNet advised that it is looking at larger substations and more fully developed areas that are less likely to see greenfield development.
- Another member asked how far progressed AusNet is in terms of financials and at what point LV batteries will replace BAU augmentation? They also asked whether AusNet expects there to be a tipping point soon where these types of solutions will get deployed rather than doubling the size of the transformer? AusNet advised that as part of the trial it is looking how to best utilise the batteries, including from a commercial perspective. AusNet also advised it is aware that battery prices are falling and installation of batteries needs to be justified in terms of when they will deliver value to customers. For more developed areas, batteries might be preferable, rather than in a greenfield area.

Item 3 | The energy transition – customer wants and network challenges | Recap and validation

IAC members were reminded of 2 activities they completed in meetings #2 and 3 (in July and October 2022, whereby they provided insights and suggestions regarding:

- customer preferences regarding the energy transition
- network challenges associated with the energy transition.

AusNet collated these suggestions and insights, then shared them with members for validation and further comment. Members were asked to advise if the summary provided was fair and accurate and if anything was missing. Members were advised that this feedback would help inform the agenda item 4 about remaining EDPR 2021-26 innovation funds.

Discussion

- A member asked whether willingness to pay for green solutions (under the heading environmental and community outcomes) reflect that some customers might want businesses to act earlier than needed while others would prefer only to pay for green solutions when needed. AusNet advised that while they were not the ones to make that comment, what the member outlined was consistent with their understanding.
- Regarding responses to the question of what customers want from the energy transition, members highlighted that the following points were important and should be added to the list:
 - A member contributed that based on another recent community consultation, safety including access to Triple 0 and personal safety emerged as key topics, particularly in outage-prone areas at bushfire and flooding risk. These communities also strongly valued community benefits and equity.
 - The member added that from their experience with another project, community having a say in investment projects, community power and agency were important. AusNet thanked the member and agreed that these were valuable insights.
- Regarding responses to the question of challenges associated with the energy transition, members highlighted the following points:
 - A question was raised about grid stability and climate change impacts, noting that this was an issue being discussed by many local councils. AusNet thanked the member for this point and acknowledged that there was some cross-over between items listed in different columns.
 - Another member noted the importance of governance for community batteries, particularly that these are hyper-local assets. AusNet clarified that that the member was referring to governance around how we adapt systems and processes. The member articulated that they were referring to how AusNet makes decisions about local assets, noting that AusNet's capacity would rely on household solar and that we would need to work with communities to get the right investments in place. They asked would AusNet be governing these very local decisions? AusNet acknowledged this was a very important issue and agreed to add this to the list.
 - It was noted by a member that some of the challenges to network businesses could mean that the activities listed might result in less revenue and control for the network. This had proven a challenge for another network the member had been involved with, particularly for regional communities.

Item 4 | Allocation of remaining EDPR 2021-26 innovation funds

The discussion in agenda item 3 was followed by AusNet reminding members of IAC's purpose and remit for a program of innovation spending. Ana Erceg, AusNet Manager, Future Networks Programs, then provided an update on the pipeline of proposed innovation fund projects for FY23 – FY27. In doing so it was noted that the Dynamic Voltage Management System project has been removed from the innovation pipeline as this is now funded from Voltage Management Capex. This has opened an opportunity for a new innovation project – IAC members were thanked for their insights in the previous activity, which would help to shape the new project.

Members were encouraged to continue thinking about the information presented and discussed today in items 3 and 4 as we would discuss these further at next IAC Meeting.

Discussion

- A member that noted that AusNet didn't mention hot water in behavioural and automated load control and stated that if someone is in an area that has never had gas, there is a high level of hot water in those communities, and we already control the hot water. AusNet clarified that they had not yet fully scoped all the projects, that what was presented was a high-level plan at this point, and they would take that feedback on board.
- Another member commented that the previous agenda item (Feasibility of the location-based opportunity assessment for neighbourhood batteries project), was something previously agreed to by IAC, and asked

whether this was listed in this table. AusNet confirmed this project was not specifically listed as it wasn't in the initial scoping, however, they explained that LV batteries align with the broader line item of 'managing solar for system security'. The same member requested confirmation that the LV batteries project was a funded piece of work that would continue into next year. AusNet confirmed this was the case.

- Regarding the line item 'Develop open data network platform' a member asked if there was any vision for AusNet to provide a simple way for customers to access data e.g., like a Google maps version (or heat maps) where customers can click on a map and get simple information? AusNet advised that the original open data platform was intended for large customers but that the organisation is working with its digital partners to see if this LV residential information can be provided at an aggregate level, via the same platform. AusNet indicated this would be a future agenda item for discussion.
- In wrapping up this item, AusNet highlighted that they are very keen to hear from members at the next meeting any suggestions for additional innovation projects that we could consider, to replace the Dynamic Voltage Management System project.

Item 5 | IAC – review of 2022 and looking ahead

Owing to time constraints, AusNet provided a brief update on engagement for the Electricity Distribution Price Review (EDPR) 2026-31, focusing on how the IAC and EDPR engagement might work together. AusNet suggested that the IAC could act as a sounding board for the Future Networks Sub-Panel regarding proposed innovation spend, help keep AusNet accountable regarding commitments made through the EDPR 2026-31 process and help coordinate EDPR-specific and AusNet BAU engagement.

Support was given for these proposed roles by a member, with another indicating that they could be used as a starting point and revisited later if needed. Members were advised that they could continue to share feedback via the [Padlet](#).

Discussion

- A member commented that it is clear how much learning the IAC has seen, however they indicated that IAC members have never seen what AusNet thinks the future looks like, how harmonised the IAC's and AusNet's views are, or where our future learnings and needs are. AusNet responded that this was a great suggestion, and while they may not be able to address it at the next meeting, was something they were hoping to develop as part of the EDPR 2026-31 Engagement process, and which could be shared in future.

Other business and close

AusNet Engagement Specialist, Michaela Jackson, reminded members that the IAC Terms of Reference (ToR) need to be reviewed annually. AusNet has undertaken a review and made proposed updates to the ToR for member's review, comment or endorsement. These will be circulated to members with the IAC minutes.

IAC members were thanked for their time and input in the session. AusNet flagged that the next Innovation Advisory Committee Meeting will be held in June 2023. The meeting was then closed.

Action	Assigned to	Status	Due
AusNet agreed to investigate if it is possible to share information about Gembrook community energy study earlier than April 2023 and advise interested IAC member.	Charlotte Eddy	Completed	ASAP
Additional points generated in today's discussion about what customers want from the energy transition and energy challenges associated with energy transition to be integrated into summary slides.	AusNet	In progress	Friday 17 March (shared in IAC Meeting #5)
IAC members to review Terms of Reference (as updated by AusNet) and provide comment or endorsement.	IAC members	In progress	Friday 17 March

IAC members to comment on the proposed relationship between the IAC and EDPR 2026-31 Engagement via the Padlet	IAC members	In progress	Friday 17 March
IAC members to share suggestions for additional innovation projects to replace the Dynamic Voltage Management System project	IAC Members	Upcoming	Wed 14 June (IAC Meeting #5)
AusNet DER Engagement to consider community energy groups as trusted voice about DER in communities and how other trusted voices (beyond installers) can develop stronger relationships with AusNet	DER Engagement Lead	In progress	Wed 4 Oct (IAC meeting #6)
AusNet to consider opportunities to collaborate with organisations such as Eastern Alliance for Greenhouse Action to develop a more coordinated approach to flexible exports and vulnerable households	DER Engagement Lead	Upcoming	Wed 4 Oct (IAC meeting #6)
AusNet to share its vision and future needs with IAC, as a result of EDPR 2026-31 Engagement	AusNet	In progress	Wed 4 Oct (IAC meeting #6)