

Energy
Networks
Australia

YEAR IN REVIEW 2019-20



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Endeavour Energy crew working to restore power infrastructure after the NSW South Coast fires in January 2020.

CEO REVIEW



The new financial year started with a new federal government - but not the one widely anticipated by pollsters and punters.

Angus Taylor was reappointed Energy Minister to continue his role as “Minister for lowering electricity prices”, a title symbolic of the continued heightened political focus on the energy sector. In spite of this, the surprise Morrison Government victory resulted in a more united front from Liberal and National Party members on energy-related issues.

While policy interventions such as the ‘big stick’ divestment legislation were pursued and enacted, the lack of public political division from Government MPs over energy resulted in fewer front page headlines. The breathing space was short lived however. 2019-20 had far bigger challenges in store.

September saw the start of one of the worst bushfire seasons in living memory. The Black Summer fires claimed 33 lives, burnt 10 million hectares and destroyed 3000 homes.



Field Personnel conducting critical works on the Energex and Ergon Energy Networks during the pandemic.

The impact on networks in NSW, Victoria and South Australia was unprecedented, with massive damage to infrastructure and many thousands of customers affected. Western Australia, Queensland and Tasmania also experienced significant fire seasons.

Just as we started to emerge from the horror fire season, a global pandemic forced the community into lockdown and the economy into recession.

The effect of these extraordinary events on the network sector has been enormous. Just as members have had to pivot sharply to address both issues, so too has Energy Networks Australia’s advocacy and policy focus.

This resulted in a major increase in policy, regulatory, advocacy and communications work and COVID-19 related member engagement, in addition to business as usual, all undertaken while working remotely.



OUR FOCUS

The policy and advocacy focus over the past year has continued to be on:

- » DER integration
- » The value of transmission and interconnection
- » Decarbonisation of gas networks and promotion of renewable gas
- » Market reform processes
- » Economic Regulation

A range of quality publications were produced, including Gas Vision 2050, a final OpEN Energy Networks position paper, reports outlining member projects in the annual innovation and consumer engagement awards and a comprehensive report on the customer benefit from incentive-based regulation.

The secretariat has undertaken a major program of work to support the network sector's COVID-19 response.

NETWORK RELIEF PACKAGE AND COVID-19 RESPONSE

The [Network Relief Package](#), initiated by members and led by the Energy Networks Australia Chair, Tim Rourke, was coordinated by the secretariat.

The cooperation and engagement of the participating CEOs ensured we were able to develop, announce and support members' implementation of this policy in a greatly compressed timeframe. As a policy response, it was well received and widely praised. Strategically, it has added to the reputation of the network sector, aided by the significant media coverage generated and advocacy undertaken to promote it.

In conjunction with the relief package, a large amount of internal and external policy, communications and advocacy work has been undertaken around COVID-19 more generally. This has included regular member videoconference briefings, bespoke communications collateral and advocacy with key stakeholders and decision makers. Significant resources have also been devoted to responding to the Australian Energy Regulator's proposed network payment deferral rule change.

LOOKING FORWARD

As we emerge from the pandemic, the new world of industry association work is likely to be different from how we have engaged in the past.

Energy Networks Australia is planning to ensure we adapt to this changed environment. We have adopted online platforms for communication and advocacy – including staff and member engagement. It is likely that a proportion of our engagement will continue in this manner, regardless of when borders open, social distancing restrictions ease and face to face meetings once again become more frequent.

This has benefits in cost savings but also in time efficiencies and enabling us to engage flexibly and responsively.

Continuing to build trust and reputation is essential to our capacity to advocate and engage successfully. I am proud of the way the Energy Networks Australia team has responded to support members and each other through this extraordinary period. I also take this opportunity to thank the Energy Networks Australia Board, CEOs and members for their active engagement over the past 12 months.

Andrew Dillon
CEO



STRATEGIC GOALS

IN ENDEAVOURING TO ACHIEVE THE ENERGY NETWORKS' VISION OF 'ENABLING AUSTRALIA'S PROSPERITY AND CLEAN ENERGY FUTURE THROUGH THE POWER OF CUSTOMER CONNECTION', ENERGY NETWORKS AUSTRALIA HAS THREE STRATEGIC GOALS:



1. COMMUNITY AND CUSTOMER TRUST



2. POLICY AND REGULATION REFLECTS ALIGNMENT OF CUSTOMERS AND NSPS



3. TRANSFORMING ELECTRICITY AND GAS NETWORKS



ADVOCACY AND CORPORATE AFFAIRS

Energy Networks Australia's communications and advocacy activities seek to support key areas of interest for members, commenting on and advocating for issues relevant to network interests.

Efforts continue to demonstrate the value to customers of networks in supporting the transformation of the energy system. The past year has seen an increasing focus on building trust in and reputation of networks and also of Energy Networks Australia.

KEY MESSAGES

- » Australia's electricity and gas grids are the platforms enabling Australia's low-emissions energy transition while keeping supplies safe, reliable and affordable.
- » It is critical, energy regulation supports investment confidence and access to low-cost finance. This is essential to keep prices down and enable investments in a transforming energy system.
- » More transmission infrastructure and interconnection between states is essential to support renewable power generation, keep electricity reliable and link markets to keep customer costs down.
- » Networks are connecting rooftop solar, storage devices and high-tech appliances to give customers greater choice about how to manage their electricity use.
- » A smarter grid will offer cheaper power prices at different times of the day to allow customers to use technology to save on their electricity bills.

- » Hydrogen made from solar and wind power can be used for household heating and cooking and energy storage to back up renewable generation. Replacing natural gas with renewable gas will deliver a safe, reliable and zero-emissions fuel for customers.

These messages have been used in the work we have undertaken over the course of the year, including when making submissions and responding to industry-wide issues.

Key Energy Networks Australia projects have been promoted through media and owned communication channels (such as our new website, digital media, the weekly EnergyInsider newsletter and monthly Energy Networks Update newsletter).



Horizon Power's solar installation at the Lombadina community on the Dampier Peninsula, WA

THESE PROJECTS HAVE INCLUDED:

NETWORK RELIEF PACKAGE

This advocacy included engagement with the Commonwealth and state energy ministers, energy departmental officials, energy retailers, industry organisations and consumer advocates. Notably this led to public endorsement for the [package](#) from Energy Consumers Australia and a letter of congratulations from the SA Energy Minister.

Communications collateral included bespoke social media videos, [media release](#), fact sheet, Q&A and internal key messages for Energy Networks Australia staff fielding customer queries.

The media coverage received by the Energy Networks Australia package was extensive and clearly communicated the support being provided. It was overwhelmingly positive about the role networks were playing and led to additional related media engagement.

COVID-19

In addition to the network relief package, a range of communications collateral was produced in response to COVID-19 to provide public information about relevant network issues. This included:

- » the development of a [dedicated web page](#);
- » the production of fact sheets and social media videos to educate about demand management and how to save money on electricity bills; and
- » why critical works and planned outages are important.

These communications were designed to:

- » manage reputation and mitigate risk of criticism from governments and influential stakeholders about planned outages;
- » respond to incidents of poor public behaviour towards frontline workers; and
- » show the network sector 'has the back' of customers and essential service workers, keeping lights on and gas flowing.



COVID-19 Electricity
and Gas Network
Relief Package

April 2020

NEW CUSTOMER-FACING EDUCATION MATERIALS

\$1 FACT SHEET SERIES

To highlight the value of electricity and gas, Energy Networks Australia produced fact sheets and associated graphics breaking down what **\$1 of electricity** and **\$1 of gas** gets a customer running basic household appliances.

These have been positively received by media, stakeholders and members, widely covered in the media and re-published by external organisations such as the RACV in its Royal Auto newsletter and AGL on its platforms.

The fact sheet has also been translated into five other common languages, courtesy of Jemena and made available on the Energy Networks Australia website.

ELECTRICITY COSTS OF WORKING FROM HOME

A number of media outlets were speculating on the likely increase in power bills as a result of more customers working from home. This led Energy Networks Australia to create a **fact sheet**, breaking down the likely additional costs customers would face.

This served to highlight which appliances had the most impact on bills and support customers in making informed choices about their energy use. This fact sheet has been widely covered in the print and electronic media and even reproduced (with permission) by some energy retailers.

THE FACT SHEET HAS ALSO BEEN TRANSLATED INTO FIVE OTHER COMMON LANGUAGES



BUILDING TRUST: WE HAVE YOUR BACK AUSTRALIA CAMPAIGN

To reinforce the work networks were doing through the pandemic, keeping the lights on and the gas flowing, Energy Networks Australia produced a series of collateral (videos and social media posts) on the theme of “we have your back Australia”.

The first video highlighted the critical role electricity and gas play in keeping hospitals running and families warm during the crisis.



The second video reinforced a factsheet on the need for critical planned works by energy network companies, which can result in the power going off - even during quarantine.

IMPACT OF BUSHFIRES

This bushfire factsheet was produced to explain in simple language, the direct and indirect impact of bushfires on electricity networks and how risks are managed and mitigated.



HEAT WAVES AND ELECTRICITY SUPPLY

Together with the Australian Energy Council we issued a factsheet on heat waves and electricity supply in early December.

It explained the potential impacts of extended hot weather on the energy system following the release of the Australian Energy Market Operator’s (AEMO) Summer Readiness Plan.

Electricity systems around the country are under pressure to deliver reliable power during summer in situations where supply is tight and demand is high. Electricity generators and network businesses developed the factsheet to explain how the industry works to deliver reliability during these extreme weather periods.



MEDIA COVERAGE FOR THE YEAR

The past year has seen a significant increase in media coverage for Energy Networks Australia.

From 1 July 2019 to 30 June 2020, Energy Networks Australia recorded 1,600 mentions in earned media (up 86 per cent), 1.68 million impressions on social media (up 10 per cent) and 290,000 pageviews on our website (up 18 per cent).

The two primary drivers of media coverage were the Energy Networks Relief Package and fact sheets outlining the cost of working from home and the value of electricity.

COMMUNICATIONS TOOLS

A diverse range of channels are used to communicate messages and information.

The weekly contributions to the [EnergyInsider](#) newsletter are distributed to more than 4,300 subscribers. Energy Networks Australia provided up to two articles a week with content aimed at being topical and informative for both an expert and general audience.

Each month, the Energy Networks Update is distributed to more than 7,000 recipients. This newsletter collates reports, fact sheets, media releases, submissions, EnergyInsider articles and other collateral, such as videos, that have been produced that month.

Key messages have been developed with member input on common issues to ensure consistency in communications. A concerted effort has been made to produce more video and graphical content on key issues, with a lot of focus on COVID-19 responses and the need for critical works.



EnergyInsider

Heating electrification: Robbing Peter to pay Paul?

A report commissioned by Environment Victoria has called for gas to be shut off in a move that would likely result in higher emissions and higher power bills. The report ignores the whole-of-system costs and potential environmental impacts that would result from electrification of the heating load provided by gas network. It's like proposing to move commuters from cars to trains but ignoring the impact on the number of trains needed and track capacity constraints. We take a look. [Read more.](#)

For more, contact [Dr Dennis Van Puyvelde](#), Energy Networks Australia

COVID-19: What

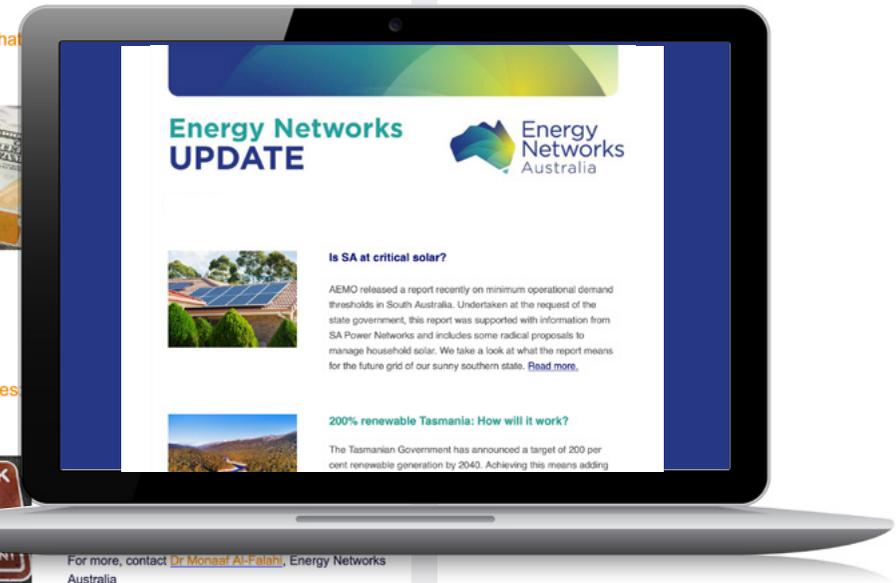
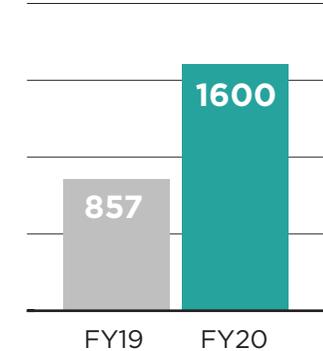


Electric Vehicles



For more, contact [Dr Monaaf Al-Falahi](#), Energy Networks Australia

Media mentions



This content is all developed in house and distributed via digital channels and shared with members to be republished. The use of factsheets and videos with simple, easy to understand concepts and graphics has been popular with media and members and published by third party stakeholders such as governments.

The Energy Networks Australia website refresh was launched in October 2019 and has increased the ability to post new content with expanded capabilities, better viewing on mobile devices and a cleaner style.

Twitter and LinkedIn are the primary social media channels for the secretariat. These are managed through Hootsuite with regular content posted. The secretariat also actively reposts content from members via these channels.

COMMUNICATIONS AND CONSUMER ENGAGEMENT

Energy Networks Australia manages the Communications and Consumer Engagement Working Group, a network of professionals from member organisations in a variety of areas such as communications, media, consumer engagement, corporate affairs, public relations, customer innovation, brand management and government relations.

This group typically meets regularly on a variety of topics to share information, resources and to hear from guest speakers. For a few months over the height of the pandemic, the group met weekly to focus on how we could support each other by sharing information and developing resources (such as those listed above).



Energy Queensland's Townsville monsoon flood relief efforts



In addition, this working group held two Consumer Advocacy Forums in September 2019 and May 2020. Guest speakers included representatives from the AER, AEMO, Energy Consumers Australia, The Energy Charter and Evoenergy.

Engagement with consumer advocates remains a priority for Energy Networks Australia as we work to promote the sector's efforts to enhance customer outcomes from the energy transformation and put downward pressure on network prices. A number of key consumer advocates are involved on the judging panels for the Energy Networks Australia annual awards program, in addition to being consulted on a variety of initiatives.



Ausgrid's customer stakeholder engagement



AGIG's Hydrogen Park in Tonsley Innovation District in SA

**ENGAGEMENT WITH CONSUMER
ADVOCATES REMAINS A PRIORITY
FOR ENERGY NETWORKS AUSTRALIA**
AS WE WORK TO PROMOTE THE
SECTOR'S EFFORTS TO ENHANCE
CUSTOMER OUTCOMES



ENERGY NETWORKS AUSTRALIA INITIATIVES

COVID-19

KNOWLEDGE SHARING SESSIONS

In the early stages of the COVID-19 pandemic Energy Networks Australia quickly coordinated the formation of a group for the express purpose of ensuring our members were best prepared to face the crisis.

Between mid-March and late June, the secretariat coordinated 12 meetings with a working group of about 40 participants, which spanned representation from both electricity and gas industries. Energy Networks Australia also interacted with local and international industry stakeholders to ensure the latest information was available to the working group.

Energy Networks Australia also undertook significant engagement with state and federal governments and other key stakeholders to provide them with updates about members' response to the crisis.

HYDROGEN IN NETWORKS

NATIONAL HYDROGEN STRATEGY

In November 2019, COAG Energy Council endorsed the [National Hydrogen Strategy](#). Gas Committee members made significant contributions to the development of this strategy, outlining options for using networks to develop the hydrogen industry. State based strategies were also developed during the year.

The document outlines 57 actions, five of which are directly relevant to gas networks. Energy Networks Australia is collaborating with the Australian Hydrogen Council to continue to work with the different government agencies to progress these actions.

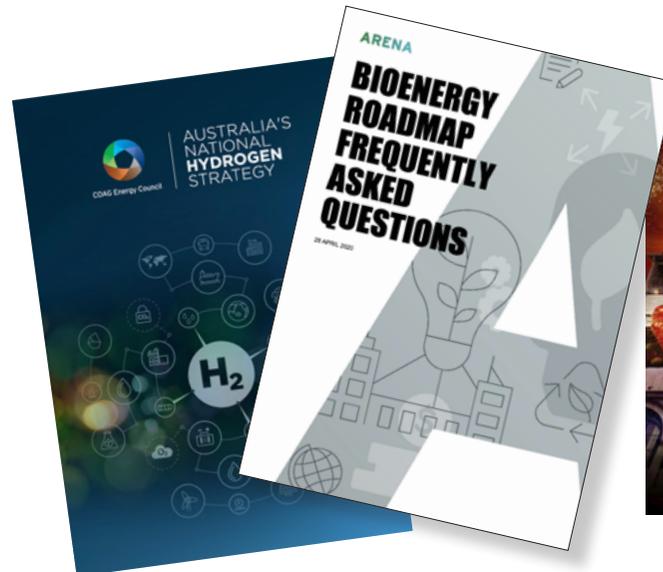
BIOENERGY ROADMAP

Energy Networks Australia collaborated with the Renewable Gas Alliance of Bioenergy Australia to provide information to the development of the [ARENA Bioenergy Roadmap](#).

THE BLOCK

Channel Nine's home renovation TV series 'The Block' returns to our screens in August 2020. The Gas Committee sponsored the integration of Natural Gas appliances during the renovations for the 2019 season of The Block, set in Melbourne's beachside suburb of St Kilda.

The committee has again sponsored the 2020 season, which features five new homes in another Melbourne beachside suburb, Brighton. The 2020 season of The Block is scheduled to air in late August, earlier than expected due to the postponement of the Tokyo Olympics.





Matthew Hindle, Head of Gas, Energy Networks Association (UK) and Dr Dennis Van Puyvelde, Head of Gas, Energy Networks Australia

MISSION INNOVATION – HYDROGEN

In 2019, Energy Networks Australia participated in a [Mission Innovation workshop](#) on hydrogen blending in the UK.

Mission Innovation is a global initiative of 24 countries and the European Commission working to reinvigorate and accelerate global clean energy innovation with the objective to make clean energy widely affordable. A major factor identified at the workshop was that the regulatory framework appears to be limiting blending of hydrogen in networks.



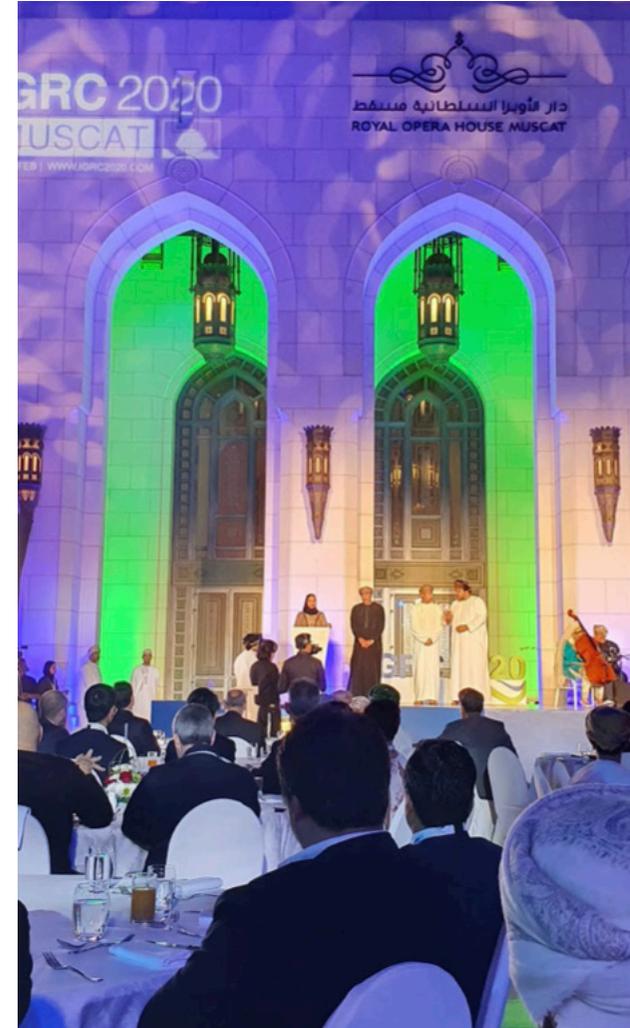
INTEGRATIONAL GAS UNION RESEARCHERS CONFERENCE

The Australian Gas Industry Trust sponsored a staff member from the secretariat to attend the International Gas Research Conference in Oman in February 2020.

Occurring every three years, the conference disseminates the newest innovative gas research covering all aspects of the global gas supply chain to an international audience.

Attendance at this event has allowed Energy Networks Australia and other Australian entities to grow their international connections and collaborate on like-minded projects.

[Click here](#) for the conference highlights video.



Gala dinner at International Gas Research Conference in Oman



RENEWABLE GAS BLENDING SCHEME

Oakley Greenwood completed a report for the Gas Committee to review potential policy options to support blending of renewable gas in networks.

This project identified that a certificate style mechanism with a national target is conceptually the most suitable as it would incentivise the lowest cost production of renewable gas.

FUTURE FUELS CRC

Future Fuels CRC (FFCRC) in its second year of operation enabled 47 active projects and completed a further ten.

The first report published by FFCRC summarised [19 international strategies on hydrogen](#) and this report has been widely cited and used in the development of the National Hydrogen Strategy.

The full range of reports to FFCRC participants is available on the [FFCRC website](#). Gas Committee members (Australian Gas networks, Multinet Gas Networks, Jemena Gas Networks, AusNet Services, ATCO Gas, Evoenergy and TasGas) continue to be actively engaged in all aspects of the FFCRC research program.

GAS VISION 2050 UPDATE

Two studies were completed to support the update of Gas Vision. These studies provide a detailed energy data set and an analysis of the benefits of using Australia's gas infrastructure to decarbonise the sector. A cross-industry Gas Futures Policy Group has been established to oversee the preparation of the update.

GUIDELINES

Energy Networks Australia develops and publishes industry guidelines in consultation with its members. To maintain the currency of these, and reduce liability and associated risks, Energy Networks Australia has instituted a review process and withdraws guidelines as required. This review started in December 2019 and will continue until December 2020. To date:

- » 12 documents have been withdrawn;
- » four documents will be withdrawn by August 2020;
- » two guidelines have been revised;
- » three are under revision and
- » one new guideline will be published in July 2020.

Further information is available on the [website](#).



POLICY AND REGULATION

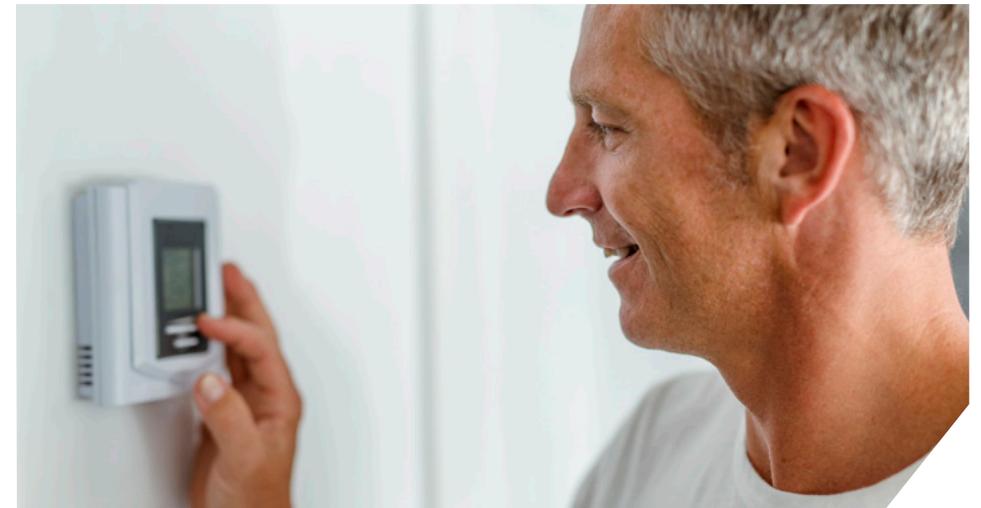
REGULATORY RESPONSE TO COVID-19

Energy Networks Australia worked closely with the Australian Energy Regulator (AER) and Australian Energy Market Commission (AEMC) to promote a fit for purpose regulatory response to the impacts of the COVID-19 pandemic.

This involved advocating for a targeted, timely and proportionate design and scope of a network payment deferral rule change, to ensure that any rule promoted the long-term interests of customers. In particular, the secretariat proposed retailer eligibility criteria to ensure retailers with a demonstrated need were able to access support, along with advocating for the inclusion of public policy transparency measures.

In addition, the secretariat worked closely with the AER to ensure that wider regulatory responses to COVID-19 promoted predictability and stability, acknowledging that maintaining clear investability and regulatory confidence from capital providers is critical.

THE SECRETARIAT PROPOSED
RETAILER ELIGIBILITY CRITERIA
**TO ENSURE RETAILERS WITH
A DEMONSTRATED NEED WERE
ABLE TO ACCESS SUPPORT**



NEW REG PROJECT

Energy Networks Australia has worked in partnership with the AER and Energy Consumers Australia to deliver on the trial of a 'New Reg' model for future network determination processes.

This partnership has been closely involved in monitoring the findings and implications of the trial by AusNet Services and an established Customer Forum as part of the Victorian electricity network pricing process. It is aimed at ensuring customer preferences are placed at the centre of developed regulatory proposals and that these preferences flow through the decisions made by the regulator in the determination process.

Through early 2020 the partnership began examining potential ways the regulatory framework could better accommodate the learnings from the model and its trial, including undertaking joint online workshops.

REWARDING PERFORMANCE: HOW CUSTOMERS BENEFIT FROM INCENTIVE-BASED REGULATION

Energy Networks Australia developed and published a [comprehensive report](#) that highlights the operation of the incentive-based regulatory framework, and demonstrates how Australian energy customers have benefited from the operation of the incentive schemes since their introduction.

This analysis, the first comprehensive review of the impacts of these schemes for customers and networks, showed that customers had benefits of about \$6.3 billion from the operation of incentive-based regulation.

STAND-ALONE POWER SYSTEMS

Energy Networks Australia worked closely with the AEMC and AER to promote a fit-for-purpose regulatory regime to allow customers to benefit from the rollout of Stand-Alone Power Systems (SAPS).

In particular, the proposed ring-fencing waiver process was highlighted as onerous and we strongly advocated for the development of a streamlined process. This has been acknowledged by the AER and the secretariat will continue to work with the regulator in 2020-21 to design a framework that supports an effective roll-out of integrated SAPS by distributors.

RATE OF RETURN AND INFLATION

Energy Networks Australia is pleased that the AER has proceeded with a regulatory inflation review, in part as a result of our advocacy, that seeks to better recognise the interaction between market outcomes and the regulatory environment in unusual market circumstances impacting on traditional approaches.

In addition, the secretariat engaged closely with the AER to assist in the design and scoping of a comprehensive review pathway to the next rate of return review.'



ENERGY NETWORK TRANSFORMATION

OPEN ENERGY NETWORKS (OPEN)

Beginning in June 2018, OpEN was a joint Australian Energy Market Operator (AEMO) and Energy Networks Australia initiative to explore the technical aspects of the integration of Distributed Energy Resources (DER) via Distribution Markets.

The project produced an [Interim Report](#) in July 2019 and the Energy Networks Australia [Position Paper](#) in May 2020. Energy Networks Australia and AEMO commissioned EA technology to produce the 'Required Capabilities and Recommended Actions Report'.

This energy reform blueprint describes how all customers can benefit from fully integrating customer solar, battery and controllable devices into the electricity grid, and outlines the capabilities and actions required to start the process.

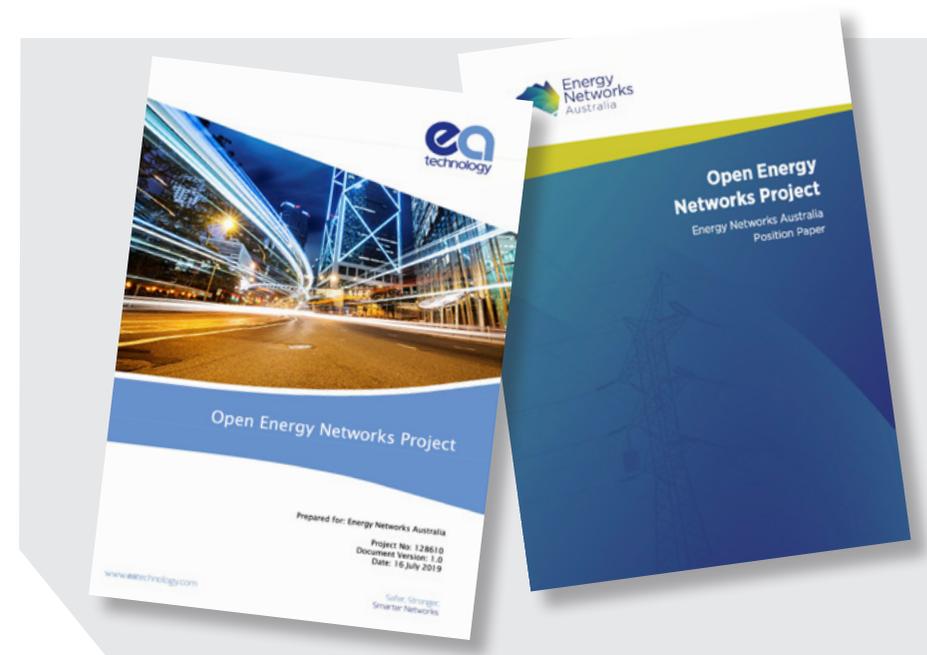
OPEN ENERGY NETWORKS PROJECT

The May 2020 position paper considered how Australia's energy system can best be managed to support the growing amount of distributed energy resources (DER) such as solar PV, batteries and electric vehicles.

Energy networks are planning for a future power grid that can securely support two-way electricity flows and allow customers to get maximum value from their rooftop solar and batteries.

Energy Networks Australia led several work streams within the OpEN project including:

- » customer stakeholder engagement with peak customer groups;
- » coordinating the delivery of the OpEN cost benefit analysis;
- » extensive policy coordination between members and AEMO;
- » drafting, editing and publishing the Energy Networks Australia Position Paper; and
- » engaging with market bodies, state and federal governments on the project findings.



ELECTRICITY NETWORK TRANSFORMATION ROADMAP (ENTR)

The ENTR was a landmark research project with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) in 2017.

It considered a future where up to 45% of all electricity is generated by customers and seeks to model the decade from 2017-2027.

After the significant development of the energy industry in recent years, a new study is being undertaken, to assess how accurately we are tracking compared with the models envisaged in 2017 and consider implications for future policy development.

INNOVATION

FUTURE NETWORK FORUMS

The biennial Future Network Forum is an informal gathering of future networks and system planning engineers and managers. As a result of our work on the OpEN project, Energy Networks Australia is helping to coordinate knowledge sharing among the various innovation efforts and initiatives being undertaken by our members.

AUSTRALIAN STRATEGIC TECHNOLOGY PROGRAM (ASTP)

A long-running initiative of the Asset Management Committee and the Australian Power Institute, the ASTP has completed the following multi-year projects:

- » Management of voltages in LV Networks;
- » Quantifying catastrophic bushfire consequence;
- » Conductor condition monitoring; and
- » Solar Enablement Initiative.

A number of knowledge sharing workshops on each topic have been conducted throughout the year. ASTP's future program of work focuses on integrating and planning for Electric Vehicles (EVs) in existing and future networks.

OTHER RESEARCH INITIATIVES

Energy Networks Australia is also undertaking research projects on vegetation management and how distributed energy resources (DER) can support resilience. These projects are being planned and will start later in 2020.

REGULATORY SUBMISSIONS

In recent times there has been a sharp increase in the number of rule changes, submissions and consultations in the field of energy network transformation. This is driven by factors such as uptake of DER, focus of consumers and governments and the media.

The number of high consequence rule changes and reports is growing and is expected to continue. This includes AEMO's DER minimum technical standards rule change, Energy Security Board (ESB) Post 2025 review, ESB Two-sided markets work, ARENA's Distributed Energy Integration Program (DEIP), Wholesale Demand Response rule change and many others.



ACTIONABLE INTEGRATED SYSTEM PLAN FRAMEWORK

At the March 2020 Council of Australian Government (COAG) Energy Council meeting, the ESB's recommended actionable Integration System Planning (ISP) rules framework was endorsed. The South Australian Minister subsequently made the rules in April and the new actionable ISP rule started 1 July 2020.

AEMO is required to publish the ISP every two years by the end of June and establish an ISP consumer panel to ensure appropriate engagement. The AER will undertake a transparency review on the AEMO assumptions report and the draft ISP to ensure that data input issues are highlighted earlier in the process.

While the streamlined regulatory investment test and subsequent dispute processes were supported by members, a number of other elements were introduced. The ESB decided to reallocate the AEMO National Transmission Planner (NTP) costs from market participants to TNSPs, however no appropriate transitional arrangements were put in place. Energy Networks Australia and the TNSPs have been working with AEMO and the ESB to remedy this.

COORDINATION OF GENERATION AND TRANSMISSION INVESTMENT (COGATI) - CONGESTION, ACCESS AND PRICING

In Dec 2019 the COAG Energy Council supported further detailed work on COGATI, with a final design and rules for approval by December 2020.

COGATI is still being led by the AEMC, however it is now a program within the ESB's post 2025 market design to ensure that all the interactions and interdependencies with the other post 2025 streams are considered in the overall design and rules development.

The AEMC is continuing to work on the locational marginal wholesale pricing and financial transmission rights framework. The target implementation date has moved from mid 2022 to mid 2025, possibly aligned with implementation of other post 2025 market design workstreams.



PUBLICATIONS 2019-2020

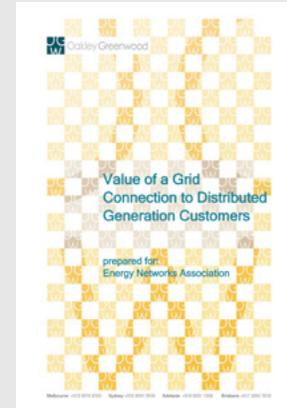
As well as publications highlighted in other parts of this document, Energy Networks Australia published the following reports during 2019-2020.



REWARDING PERFORMANCE - HOW CUSTOMERS BENEFIT FROM INCENTIVE-BASED REGULATION

In July 2019, Energy Networks Australia released a report showing Australia's incentive-based energy regulation schemes were delivering more than \$6 billion of benefits to customers. The first comprehensive analysis of the schemes' performance, it focused on the Efficiency Benefit Sharing Scheme (EBSS) and Service Target Performance Incentive Scheme (STPIS) to provide an initial estimate of the scale of benefits offered by them.

[CLICK](#)



VALUE OF A GRID CONNECTION TO A DISTRIBUTED GENERATION CUSTOMERS

Oakley Greenwood was commissioned to produce a report on the 'Value of a Grid Connection to a Distributed Generation Customers', which was published on 8 October 2019.

[CLICK](#)

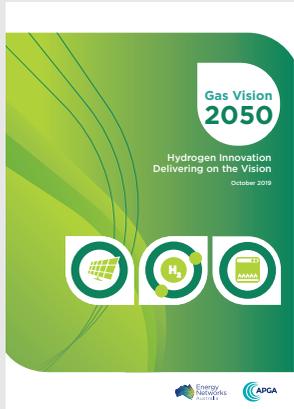


YEAR IN REVIEW 2018-19

(August 2019)

In August 2019, our 'Year in Review' was published highlighting the previous years' achievements.

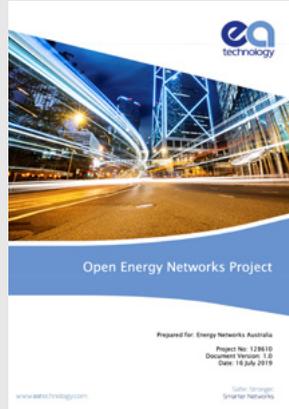
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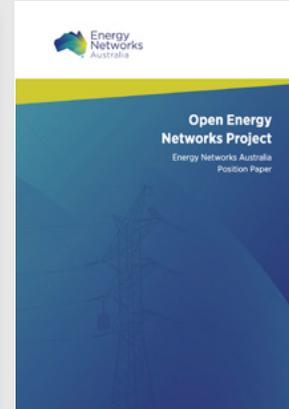
[CLICK](#)

GAS VISION 2050: HYDROGEN INNOVATION

In October 2019, Energy Networks Australia and the Australian Pipelines and Gas Association (APGA) launched a brochure summarising industry led hydrogen research and pilot plant projects. The Hydrogen Innovation – Delivering on the Vision report shows the significant progress made since the release of Gas Vision 2050 more than two years ago with \$180 million committed funding for hydrogen infrastructure projects.



[CLICK](#)



[CLICK](#)

OPEN INTERIM REPORT AND POSITION PAPER

Beginning in June 2018, this project was a joint Australian Energy Market Operator (AEMO) and Energy Networks Australia initiative to explore the technical aspects of the integration of Distributed Energy Resources (DER) via Distribution Markets. The project has produced an Interim Report in July 2019 and the Energy Networks Australia Position Paper in May 2020.



[CLICK](#)



[CLICK](#)

INNOVATION REPORT AND CONSUMER ENGAGEMENT

Energy Networks Australia runs an annual award program. It features the Industry Innovation Award and the Consumer Engagement Award. The Innovation and Consumer Engagement reports highlight all the entries and were published in January and April 2020 respectively.



SA Power Networks crews working to restore power in kangaroo Island following devastating bushfires.

ENERGY NETWORKS AUSTRALIA EVENTS

2019 REGULATION SEMINAR - 31 JULY 2019

The Annual Regulation Seminar was held in Brisbane on 31 July 2019 at the State Library of Queensland with more than 200 attendees. The theme of the seminar was 'Navigating Change: Regulation and tomorrow's grid'.

Speakers included representatives from Mutual Energy and a former Ofgem representative from the UK, the AER, Griffith University, Ausgrid, the Consumer Policy Research Centre and AMP Capital.

Thanks to the event sponsor:



ANNUAL DINNER AND AWARDS PRESENTATION - 12 SEPTEMBER 2019

The Annual Dinner on 12 September 2019 provided an opportunity to acknowledge the contribution made by network and industry partners to improve customer energy services in Australia.

The dinner, at the National Gallery of Victoria in Melbourne, was attended by 150 invited guests.

A warm thanks to Asplundh, who generously sponsored the evening.



Joanne Pafumi of CitiPower, Tamatha Smith of Energy Networks Australia and Sarah Collins, Energy Queensland



The Hon Lily D'Ambrosio, Victorian Minister for Energy, Environment and Climate Change



Ben Skinner from Australian Energy Council and Lance Hoch from Oakley Greenwood



INDUSTRY CONTRIBUTION AWARD

A highlight of the annual dinner was the awards ceremony. The annual 'Industry Contribution Award' went to Craig de Laine, General Manager - People and Strategy at the Australian Gas Infrastructure Group for his contribution to network consumer engagement and the Gas Vision 2050 project.



Craig de Laine and Kristen Pellew from AGIG celebrating the Industry Contribution Award



INDUSTRY INNOVATION AWARD

The Industry Innovation Award was hotly contested in 2019 with ten applications.

The winner was the South Australian transmission network ElectraNet for its Dalrymple Battery Energy Storage Project - an Australian-first storage and market solution to accommodate the needs of a highly complex local energy system.

ElectraNet's model provides a blueprint that can be replicated by other networks and it is particularly suited to renewable energy zones and fringe of grid geographies.

It has navigated the National Electricity Market registration, licensing and connection processes and then created the largest autonomous regional microgrid development to date, co-optimised for both grid-connected and islanded operation with 100 per cent renewables.

**ELECTRANET'S
MODEL PROVIDES
A BLUEPRINT
THAT CAN
BE REPLICATED
BY OTHER
NETWORKS**



Rainer Korte, Hugo Klingenberg, Chris Hanna and Steve Masters of ElectraNet after winning the Industry Innovation Award



 **ElectraNet**

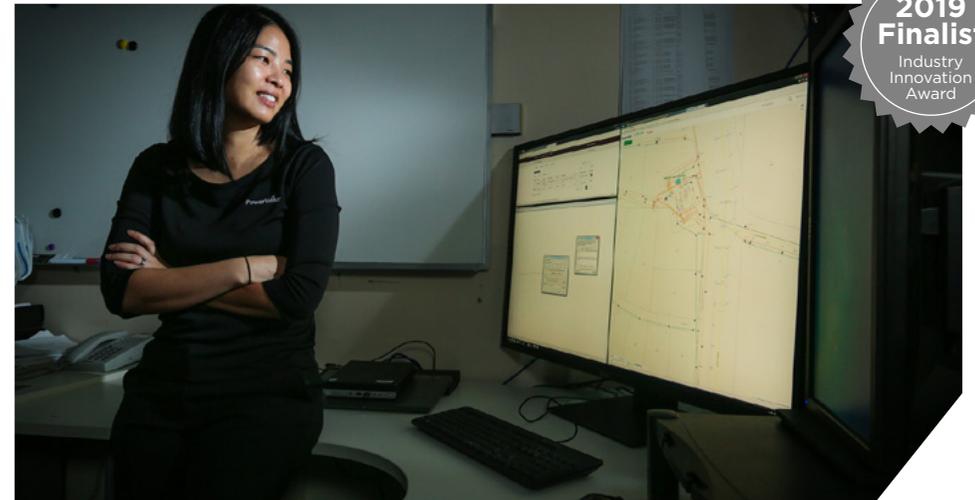
Other finalists were ATCO's (WA) Clean Energy Innovation Hub and Power and Water's (NT) Darwin Distribution Fault Anticipation Trial. The [Innovation report](#), which provides further detail on the award finalists, was published in January 2020.



ElectraNet's Dalrymple Battery Energy Storage from Yorke Peninsula, SA



ATCO's Clean Energy Innovation Hub from Jandakot, WA



Power and Water System Engineer Jana MacPherson with the fault locator software used as part of the trial, NT

CONSUMER ENGAGEMENT AWARD

The Customer Engagement Award, jointly run with Energy Consumers Australia (ECA) is celebrating its third year.

Of the ten submissions, Jemena was the unanimous choice of the judging panel for its Gas Networks Deliberative Forum in NSW as well as its People's Panel citizens' jury in Victoria. Lifting consumer engagement with more innovative approaches was a critical part of the energy modernisation project taking place.

Initiatives like Jemena's, to make engagement opportunities accessible and inclusive with translators, child care assistance, transport services and in-language consultation, shows strong progress and we look forward to these approaches becoming the norm.

TO MAKE
ENERGY TRULY
INDIVIDUALISED,
EVERYTHING
FROM SERVICE
DELIVERY TO
CONSULTATION
NEEDS TO
BE BUILT.



Matt Serpell & Kate Hawke from Jemena, Rosemary Sinclair from Energy Consumers Australia, Shaun Reardon, Usman Saadat, Alec McPherson and Ana Dijanosic from Jemena



Other finalists for the consumer engagement award were Horizon Power's Solar Incentive Scheme, Powerlink (Qld) for its 2023-27 Revenue Determination and SA Power Network's community engagement for its 2020-25 Tariff Structure Statement. [The Consumer Engagement report](#), which provides further detail on the award finalists, was published in April 2020.



A customer experiences the future of energy at a People's Panel citizens' jury event in Victoria



Arabic speaking staff lend a hand at Gas Networks Deliberative Forums in NSW



Horizon Power's solar installation at the Djarindjin roadhouse in the Kimberley, WA



Powerlink (Qld) 2023-27 Revenue Determination Process Engagement Co-Design Workshop in Brisbane, QLD



SA Power Network's community engagement for its 2020-25 Tariff Structure Statement in SA

NETWORK SAFETY FORUM (SEPTEMBER 2019)

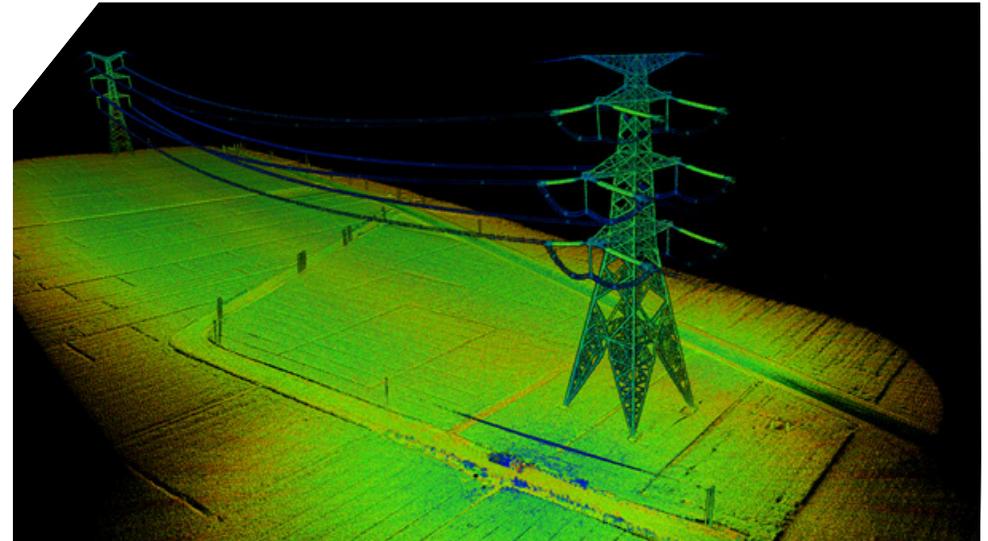
While the Network Safety Forum explored network safety generally, half a day was dedicated to bushfire risk mitigation and new technologies supporting bushfire management.

The use of new assets, such as pulse closers (a form of automatic recloser) and Light Detection and Ranging (LiDAR) were well received resulting in a follow up event focussing on LiDAR.

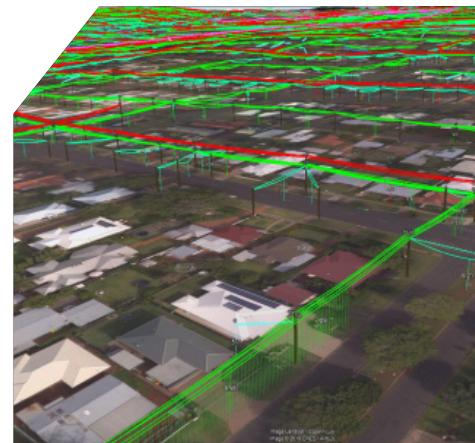
Safety Forums are held quarterly with a rotating agenda to address topical issues that differ throughout the year.

LIDAR FORUM (DECEMBER 2019)

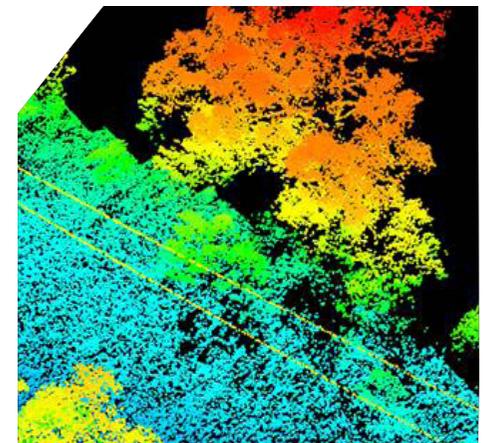
The LiDAR Forum explored the use of remote sensing techniques for a range of applications for network asset management, with a focus on using LiDAR to manage vegetation near electricity assets.



Courtesy of Transgrid



Courtesy of Energy Queensland



Courtesy of Endeavour Energy

Energy Networks 2021

BRISBANE 3-5 MARCH



CONFERENCE + EXHIBITION

EN2021 PLANNING

COVID-19 forced the postponement of Energy Networks Australia's flagship biennial conference and exhibition event, which was due to be held in June 2020. This will now be held between 3 and 5 March 2021 at the Brisbane Convention and Exhibition Centre as EN2021.

Planning for EN2021 will utilise all the preparatory work for the postponed event but will include a refresh of the program to ensure topics are relevant to the network sector in the current environment.

An extensive program was developed under the auspices of the Program Development Committee, which comprises representatives of member businesses, CSIRO and secretariat staff.

The call for abstracts brought forward a rich array of submissions, of which over 100 are likely to be speakers on the program and 30 will display their work / research in a poster display area in the exhibition hall.

The program comprises domestic and international keynote speakers, four plenary panels and sixteen concurrent sessions. The themes of the four plenary sessions will be:

- » Data to enable the energy transformation;
- » Greening gas - challenges and opportunities;
- » The energy future: who pays?;
- » Network report card: the customer journey.

Topics of the concurrent sessions include: data transforming asset management, low emissions, post 2025, the gas evolution, big data, regulation, a smarter safer grid, battery storage, virtual & hybrid power plants, customer centric innovation, hydrogen, microgrids, decarbonising networks, pricing reform, electric vehicles and distributed energy resources etc.

There will be many opportunities for socialising and networking in the program, including the gala dinner which will be a feature of the event.



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GOVERNANCE

CEO FORUM

The CEO Forum, which comprises CEOs from all Energy Networks Australia full members, provides strategic guidance for the activities of the Board, secretariat and member committees.

The CEO Forum met in person in September 2019, March 2020 and by videoconference in May 2020 to determine the strategic priorities for the secretariat and form a consensus on industry positions on key matters.

BOARD

The Energy Networks Australia Board comprises Tim Rourke (Chair), Ben Wilson (Deputy Chair), Lance Balcombe, Rob Stobbe, Frank Tudor, Guy Chalkley, Richard Gross, John Cleland and Stephanie Unwin.

Sephanie Unwin, CEO of Horizon Power joined the Board in July 2019 and Merryn York resigned from the Board in August 2019 to take up a position as AEMC Commissioner.





Tim Rourke



Ben Wilson



Lance Balcombe



Guy Chalkley



Merryn York (until August 2019)



Richard Gross



Rob Stobbe



Stephanie Unwin



Frank Tudor

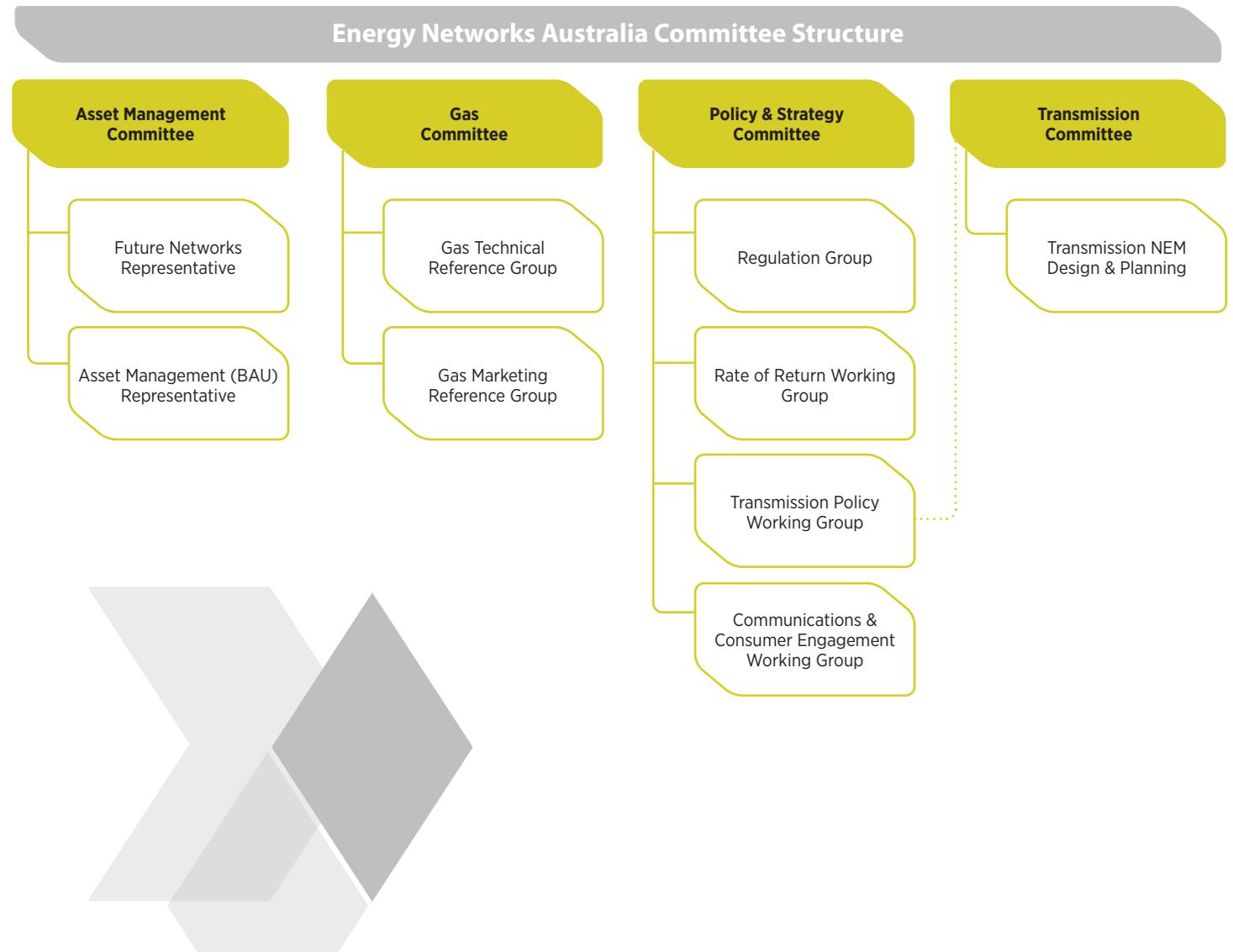


John Cleland

COMMITTEE STRUCTURE

The Board is supported by several corporate governance and policy committees including:

- » The Remuneration Committee chaired by Tim Rourke.
- » The Finance Audit and Risk Management Committee chaired by Guy Chalkley.
- » The Policy and Strategy Committee chaired by Richard Gross.
- » The Asset Management Committee chaired by Frank Tudor.
- » The Gas Committee chaired by Ben Wilson.
- » The Transmission Committee chaired by Lance Balcombe.



MEMBERSHIP

As at 30 June 2020, Energy Networks Australia members were:

- » ATCO Gas Australia Pty
- » Ausgrid
- » AusNet Services
- » Australian Gas Networks & Multinet Gas Networks (part of the Australian Gas Infrastructure Group)
- » CitiPower, Powercor & United Energy Australia
- » ElectraNet
- » Endeavour Energy
- » Ergon Energy & Energex (part of the Energy Queensland group)
- » Essential Energy
- » Evoenergy
- » Horizon Power
- » Jemena Limited
- » Power and Water Corporation
- » Powerco Limited NZ
- » Powerlink Queensland
- » SA Power Networks
- » TasGas Networks
- » TasNetworks
- » TransGrid
- » Unison NZ
- » Western Power

AFFILIATES

The affiliate program launched at the beginning of 2019 offers businesses, government bodies, academia and supply chain partners a new way to support the work of Energy Networks Australia. Our affiliates at 30 June 2020 were:

- » Aeropower
- » Adapt Australia
- » Boston Consulting Group
- » Ecojoule Energy
- » Energy Users Association of Australia
- » GreenSync
- » Logsys Power Services
- » Oakley Greenwood
- » Orion
- » Spark Infrastructure
- » Vinci Energies

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