



# Developing Energy Networks Australia's Energy Vision

## Stakeholder Engagement Report



21 December 2021

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# Introduction

**The energy landscape in Australia is undergoing significant transformation as the drive to carbon neutrality increases its pace and prominence. Energy networks have a critical role to play in enabling the energy system and broader economy to achieve net zero and Energy Networks Australia (ENA), as the peak body for energy networks, seeks to develop a common Energy Vision for how networks will enable and deliver net zero.**

ENA is the national body representing Australia's electricity distribution and transmission networks and gas distribution networks. All networks will have an important role to play in enabling the energy sector and broader economy to achieve net zero, and ENA seeks to develop an Energy Vision that articulates a collective approach for how networks will work together to achieve net zero.

Given the significance of change to the energy system required to achieve net zero, the ENA Energy Vision provides an agreed statement of how networks will work together to enable greater customer choice and flexibility, and support system security and reliability, to enable energy decarbonisation at the lowest possible cost to customers.

The purpose of the ENA Energy Vision is to:

- › provide an agreed statement from networks on how networks will work together to enable net zero
- › inform discussions of future regulatory structures
- › define a single vision of how transmission, distribution and renewable gas will work together in the energy grid of the future
- › set out a collective pathway for networks to deliver the future energy system for consumers.

This ENA Energy Vision is not a tool to determine investment decisions, will not be mandated by regulators, and is not a set of rules for networks to follow. The ENA Energy Vision does not seek to create a vision for the Australian economy as a whole; instead, it is specific to ENA's members and describes the role of networks in enabling net zero.

**Having developed a draft ENA Energy Vision in consultation with its members, ENA engaged KPMG to facilitate a stakeholder engagement process.**

In mid-2021, ENA developed a draft Energy Vision and associated issues paper, which together formed the basis of an initial round of consultation with ENA's members. Following this consultation, ENA refined and revised its draft Energy Vision to consult further with consumer and industry stakeholders, and market bodies and regulators.

ENA engaged KPMG to facilitate this stakeholder engagement process, and this report presents the views of stakeholders engaged through the process.



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# Approach to stakeholder engagement



# Stakeholder Engagement Approach

## ENA sought stakeholder input to determine an optimal vision and supporting narrative as part of its ENA Energy Vision.

ENA's stated objectives for the stakeholder engagement process were to:

- › Gain feedback on and input into the ENA Energy Vision
- › Where possible, gain alignment among stakeholders on the ENA Energy Vision
- › Keep stakeholders informed about ENA's next steps with regards the ENA Energy Vision.

While ENA committed to genuinely considering stakeholders' views on the ENA Energy Vision, ENA did not seek endorsement or approval. As such, this report documents the views of stakeholders without making a determination about their overall level of support.

ENA engaged with two key stakeholder cohorts as part of this engagement process:

- › Consumer and industry groups – organisations who advocate for or represent the views of energy users
- › Market bodies – regulatory and policy-making organisations.

## The below organisations participated in at least one consultation workshop.

### Consumer and Industry Groups

- Brotherhood of St Laurence
- St Vincent de Paul Society
- Uniting Communities
- AI Group (Australian Industry Group)
- Business Council of Australia
- Energy Users Association of Australia
- Public Interest Advocacy Centre
- Energy Consumers Australia
- Energy Users Association of Australia
- Australian Renewable Energy Agency (ARENA)
- Council on the Ageing (COTA)
- Total Environment Centre
- Australian Council of Social Service (ACOSS)
- Council of Small Business Organisations of Australia
- Australian Energy Council
- Clean Energy Council
- Council of Small Business Organisations of Australia
- Major Energy Users

### Market Bodies

- Australian Energy Market Commission (AEMC)
- Australian Energy Market Operator (AEMO)
- Australian Energy Regulator (AER)
- Energy Policy WA (EPWA)

It's been a really good session and great discussion

Consumer/industry group participant

I think this is really important, and I want to congratulate everybody for being involved

Consumer/industry group participant

Really appreciated the consultation

Consumer/industry group participant

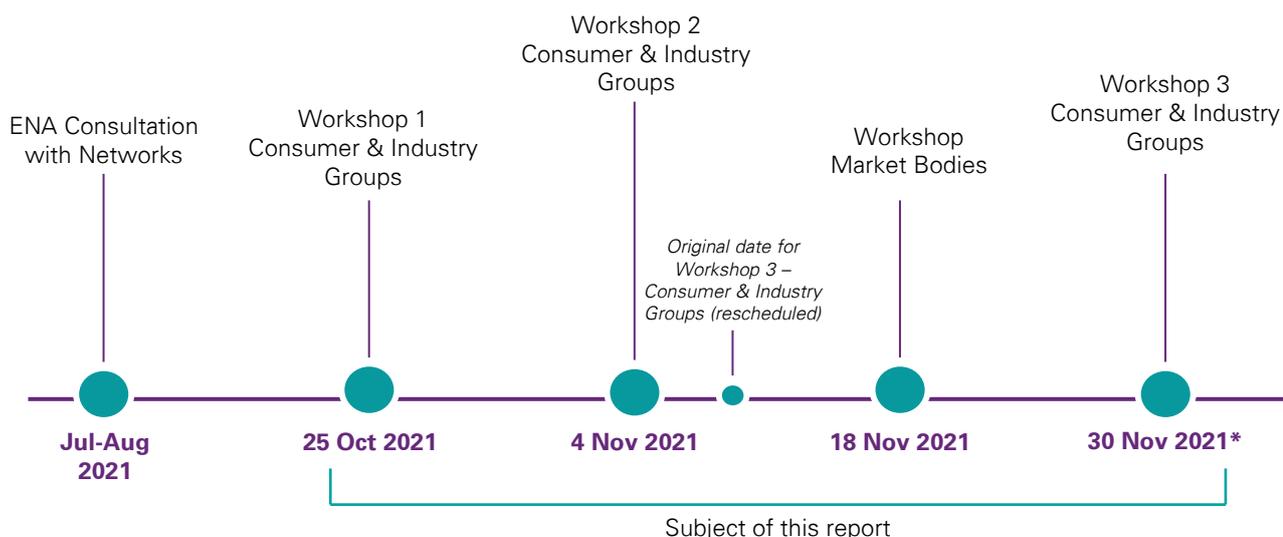
I like the fact KPMG came back with the issues and how ENA is proposing to respond to them

Consumer/industry group participant

# Stakeholder Engagement Approach

## Consultation with stakeholders was undertaken throughout October and November 2021 through a series of collaborative workshops.

ENA chose to deliver workshops 1-3 in succession, to take stakeholders through the Energy Vision in stages. The engagement was designed to be flexible and iterative, and as a result some adjustments were made to the approach while underway to respond to stakeholders' areas of interest and feedback. Specifically, the third workshop with consumer and industry groups was originally scheduled to be held shortly after the second workshop, and was postponed to allow ENA to fully consider and respond to the feedback shared by stakeholders through the engagement process. All workshops were held virtually using the Microsoft Teams videoconferencing platform.



## The agenda of each workshop was shaped by stakeholders' feedback.

The agendas for each stakeholder workshop were designed to be flexible and responsive to topics of most interest to stakeholders. Topics were aligned to the content structure of the draft Energy Vision, which ENA iteratively updated between workshops 2 and 3 in response to stakeholder feedback.

The below table illustrates the topics and key objectives addressed in each workshop.

	Consumer & Industry Groups			Market Bodies
	Workshop 1	Workshop 2	Workshop 3	Workshop
<b>Key objectives</b>	<ul style="list-style-type: none"> <li>Establish foundation for engagement</li> <li>Consult and involve stakeholders in developing the Energy Vision and Principles</li> <li>Understand stakeholder views</li> </ul>	<ul style="list-style-type: none"> <li>Reflect and validate stakeholder views in Workshop 1</li> <li>Consult and involve stakeholders in developing the Energy Vision and Principles</li> <li>Inform stakeholders on the role of gas networks in the Energy Vision</li> </ul>	<ul style="list-style-type: none"> <li>Reflect and validate stakeholder views in Workshop 2</li> <li>Collaborate on the development of the Energy Vision</li> <li>Collaborate on how to manage optionality</li> <li>Share next steps</li> </ul>	<ul style="list-style-type: none"> <li>Involve stakeholders in the draft Energy Vision and Principles</li> </ul>
<b>Energy Vision</b>	●	●	●	●
<b>Energy Principles</b>	●		●	●
<b>Future Energy System Uses</b>	●		●	●
<b>Role of Gas Networks</b>		●	●	
<b>Optionality</b>			●	

# Stakeholder Engagement Approach

## ENA's stakeholder engagement principles were used throughout all workshops to guide and shape the process.

The following stakeholder Engagement Principles were established ahead of the first workshop, and communicated to stakeholders at the start of each workshop.



### Genuine

» We are up front about how stakeholder engagement will influence decision-making



### Responsive

» We actively listen to ensure we have accurately understood stakeholder views

» We build in flexibility and adapt our approaches to accommodate stakeholder feedback and views

» We respond to questions and feedback in a timely manner



### Transparent

» We show the feedback loop of how stakeholders views have informed decisions and outcomes



### Clear, effective communication

» We provide timely information to enable stakeholders to be prepared and fully participate

## Workshop materials



### Pre-reading: draft Energy Vision and Issues Paper

All stakeholders were provided the initial draft Energy Vision and Issues Paper, established by ENA and its members, prior to the first engagement workshops. This allowed stakeholders the opportunity to become familiar with all the content and express well rounded views during the discussions.



### Presentation Materials: Consumer and Industry Groups

Presentation materials were developed to guide discussion during each of the three workshops. These largely consisted of references to the draft Energy Vision document, with consultation questions to prompt discussion. Participants were invited to share their views in the way they were most comfortable to do so, either via the text chat or by speaking.

At workshops 2 and 3, a summary of stakeholder views from the prior workshop was presented and validated with stakeholders, to confirm that views had been correctly captured and understood.

The agenda for each workshop included opportunity to share feedback on the process of engagement.



### Presentation Materials: Market Bodies

Presentation materials were developed to guide discussion during the workshop. These largely consisted of references to the draft Energy Vision document, with consultation questions to prompt discussion. The views of consumer and industry groups were also shared with market bodies. Participants were invited to share their views in the way they were most comfortable to do so, either via the text chat or by speaking.

# Role of KPMG

## **KPMG was engaged by ENA to independently facilitate the consultation process, and accurately capture and document stakeholder views.**

KPMG first assisted ENA in the delivery of the draft Energy Vision, and subsequently supported ENA with the delivery of this engagement, a series of facilitated workshops for stakeholders to express their views and have input on ENA's decision-making for the Energy Vision at its early stages. KPMG then incorporated stakeholder feedback into the Energy Vision under the direction of ENA.

The workshop structure, approach and content were co-developed by ENA and KPMG. KPMG collated, documented and synthesised all data captured through the stakeholder engagement process.

KPMG's role included:

- › contributing to the design of stakeholder engagement materials, including advising on engagement techniques to enable effective stakeholder contribution
- › facilitating stakeholder engagement, including leading all stakeholder workshops with ENA contributing to the facilitation when appropriate
- › documenting and reporting on the stakeholder engagement process, ensuring the views of stakeholders are accurately expressed throughout.

KPMG's role did not include:

- › advocating for ENA
- › influencing stakeholder views
- › providing advice on regulatory matters
- › assuming decision-making responsibility on behalf of ENA.

This report captures the key views of consumer and industry groups and market bodies on ENA's draft Energy Vision.



# Stakeholder views: engagement with consumer and industry stakeholders



# Key discussion items

**After discussion with stakeholders throughout the workshops, the following topics emerged as key focus areas for consumer and industry stakeholders. A high level summary of the relevant stakeholder views is provided below.**



## Energy Vision

Stakeholders support ENA's ambition to achieve a net zero energy system, and expect this to be achieved prior to 2050.



## Energy Principles

Stakeholders consider a range of principles to be important to underpin the Energy Vision, including core values of Safe, Affordable and Reliable and additional principles of Clean, Customer-centric, Equitable, Integrated, Resilient and Investable.



## Future Energy System Uses

Stakeholders acknowledge that the way in which energy is provided to customers will evolve, and consider it important that the needs of all customer cohorts are considered (from the customer's perspective).



## Future of Gas Networks

Stakeholders acknowledge that the ENA Energy Vision expects a role for gas networks into the future. However, there are divergent views among stakeholders about the extent to which gas networks will continue to operate or what their specific role will be.



## Managing optionality and uncertainty

Stakeholders recognise that maintaining optionality in relation to some aspects of the energy system is required. Stakeholders also seek to ensure that optionality is not retained to the detriment of customers. Stakeholders seek clarity on the optionality networks will seek to maintain.

# Energy Vision

Stakeholders welcomed the opportunity to contribute to the Energy Vision; their views are captured and noted below.

In workshop 1, stakeholders sought to clarify the problem or challenge that ENA sought to address through the Energy Vision, and queried the overall purpose of the vision document.

Stakeholders consistently expressed the view that ENA's target of delivering net zero by 2050 was not ambitious enough, and did not align to research into scientific timeframes for achieving net zero. Some stakeholders also expressed the view that the Energy Vision should include stated assumptions and facts upon which it is based.

Stakeholders discussed the role of energy networks in achieving net zero, and sought to clarify how networks would achieve this. Stakeholders stated that the Energy Vision should ensure that networks collaborate with energy customers, as well as other networks.

## After workshop 1, ENA...

- Clarified the purpose of the Energy Vision (workshop 2)
- Reviewed and revised the headline vision statement, including the proposed timeframe for net zero
- Amended language within the draft Energy Vision to reflect networks' need to collaborate with consumers

In workshop 2, stakeholders discussed whether the Energy Vision should be centred solely on achieving net zero or address a broader vision, with net zero as one of several objectives. Stakeholders also recommended, subject to deciding the purpose of the vision, to consider rewording the headline sentence to read that the Energy Vision is not just focussed on net zero, but how networks are going to work together to enable net zero.

Stakeholders noted that the focus on net zero should be balanced with other desirable objectives such as delivering a future energy system to customers at least cost, and how networks will work together to facilitate the pathway to net zero within the context of Australia's broader net zero transition.

Some stakeholders also noted that networks cannot ensure the delivery of net zero for the future energy system but do have a role in facilitating a net zero outcome, and that the Energy Vision should clarify the role of networks in achieving a net zero economy.

Some stakeholders expressed the view that the Energy Vision should include targets in the short and medium term, to anchor and direct networks' focus and to aid prioritisation over the period to 2050. However, other stakeholders noted a timeframe may limit the usability of the Vision document itself as regular revision will be required as timeframes are met.

## After workshop 2, ENA...

- Updated the Energy Vision to clarify the role of networks in achieving net zero, including the pace of change for energy networks in comparison to other sectors of the economy
- Determined that including interim targets within the Energy Vision is not required as the Energy Vision is intended as a high-level, guiding document only

In workshop 3, stakeholders noted the changes ENA had made to the draft Energy Vision to reflect their views to date. Stakeholders advised that the Energy Vision should be focused on empowering consumers, businesses and communities, and recognise the increasing agency of consumers in the energy sector.

Stakeholders discussed whether the Energy Vision should include explicitly-stated assumptions on which it is based. Some stakeholders expressed the view that, specifically, the Energy Vision should explicitly state its assumption that gas networks will continue to have a role in the future energy sector.

## Summary of stakeholder views

- Stakeholders prefer that the Energy Vision state any assumptions on which it is based
- Stakeholders seek to ensure that customers and communities are at the centre
- Stakeholders seek to ensure that the timeframe of achieving net zero is evidence-based and sufficiently ambitious
- Stakeholders seek to ensure the Energy Vision clarifies the role of energy networks in achieving net zero, including that networks may need to achieve net zero earlier than other sectors in order for other sectors to decarbonise

# Energy Vision Principles

Stakeholders shared their views on the Energy Vision Principles, which ENA revised iteratively through the engagement process based on stakeholder feedback.

In workshop 1, stakeholders sought to clarify the purpose of the Energy Principles and noted that several principles are already common practice in networks' decision-making.

Stakeholders also:

- › Recommended decoupling the principles of 'Affordable' and 'Customer-centric'
- › Discussed considering 'Resilient' and/or 'Dependable' as a principle, as well as or instead of 'Reliability', to reflect the increasing need of networks to be able to recover from incidents and issues
- › Discussed considering 'Equitable' as a principle
- › Advised that the principle 'Investable' should be clarified, as the term can have connotations of shifting costs from networks onto customers.

## After workshop 1, ENA...

- Revised the Energy Vision to decouple 'Affordable' and 'Customer-centric' (i.e. add 'Customer-centric' as a principle)
- Reviewed and revised the description of the principle of 'Investable'
- Acknowledged the 'Resilience' principle required further clarity and assigned it as a key topic for discussion in workshop 3

In workshop 2, stakeholders discussed including 'Equitable' as a standalone principle or bundling it with the principle of 'Affordable'. During the discussion, various views were expressed by stakeholders, before the conversation ended with overall support for including 'Equitable' as a principle. Equitable was described by stakeholders as ensuring that all customers have equitable access, opportunities and benefits from the future energy system, and also ensuring that customers who find the transition to the future energy system more challenging are not excluded from the same opportunities and benefits as other customers, including not being allocated costs they cannot manage.

Stakeholders discussed the term 'Investable' and one stakeholder suggested re-wording the description of the principle to better reflect its intention for efficient risk allocation to those parties best able to manage the risk.

## After workshop 2, ENA...

- Added the principles of 'Equitable' and 'Resilient', drafted for consultation in Workshop 3
- Revised the description of 'Investable', drafted for consultation in Workshop 3
- Captured the principles of 'Safe', 'Affordable' and 'Reliable' as enduring objectives of the Energy Vision, rather than standalone principles

In workshop 3, stakeholders noted the changes that ENA had made to the principles, including adding 'Customer-Centric', 'Equitable', and 'Resilient', the changes to 'Investable' and suggested documenting 'Safe', 'Affordable' and 'Reliable' as core values rather than principles.

Stakeholders discussed the positioning of principles in comparison to enduring objectives, and some stakeholders expressed the view that the proposed phrasing suggested that 'Safe', 'Affordable' and 'Reliable' was a lesser consideration than other principles.

Some stakeholders noted that the principles should be used as a means of directing practical decision-making within networks, and that minor wording revision should be made to enable this purpose across each principle. In particular, the description for the 'Clean' principle was specifically highlighted by stakeholders suggesting the principle should be reworded to better inform network decision-making.

## Summary of stakeholder views

- Stakeholders seek to ensure that 'Safe', 'Affordable' and 'Reliable' energy remain as core values and high priority
- The following principles for the Energy Vision were further discussed with stakeholders: clean, customer-centric, equitable, integrated, resilient, investable
- Stakeholders suggest considering reviewing the wording of each principle to ensure it helps inform future decision-making

# Future Energy System Uses

Stakeholders expressed clear and concise views regarding how the future energy system uses are to be depicted in the Energy Vision. These views are captured and noted below.

Early drafts of the Energy Vision presented the future uses of energy networks in a net zero economy as ways in which networks in the future might meet customer needs.

In workshop 1, stakeholders expressed the view that the content of how energy might be used in future was inaccurately presented as 'customer needs'. Stakeholders advised that customers' energy needs centre around their day-to-day lives and change little over time; however, stakeholders recognise that the way in which energy is generated and delivered to meet those needs will change.

Stakeholders also expressed the need to differentiate customer needs from customer preferences, and some stakeholders suggested that customers are ultimately seeking affordable, efficient, low carbon energy sources as this is a low involvement purchasing category for most customers.

## After workshop 1, ENA...

- Revised the Energy Vision to amend the customer needs component to clarify that it describes how the future energy system will deliver on consumer needs, rather than to specify the consumer needs themselves

This topic was not discussed in Workshop 2 as it was agreed between stakeholders and ENA that other topics, such as clarifying feedback and discussing the role of gas networks, were of a higher priority for this workshop.

In Workshop 3, stakeholders noted the changed positioning of the content in the Energy Vision.

Some stakeholders raised whether the significant changes in land usage should be referenced due to its impact on how energy will be generated and that there is community interest in land usage at present and how it will be facilitated through infrastructure (e.g. by introducing electric vehicle charging stations).

## Summary of stakeholder views

- Stakeholders seek to amend the customer needs component to clarify that it describes how the future energy system will deliver on consumer needs, rather than to specify the consumer needs themselves
- Stakeholders discussed addressing land usage as part of the transition to net zero

# Role of Gas Networks

Stakeholders were eager to discuss the role of gas networks, and their views are captured and detailed below.

In workshop 1, stakeholders raised the future role of gas networks, and whether and how renewable gas might be used in the future energy system.

Stakeholders expressed the need for further clarity on how long gas will remain part of the energy system during the transition, as some stakeholders noted that they only see a role for gas in the short to medium term. Some stakeholders suggested that the Energy Vision should state any assumptions about the future of gas networks on which the Energy Vision is based. Within the discussion ENA clarified that they expect gas networks to continue to have a role as part of the future energy system by offering energy diversity via renewable hydrogen and biogas, and that this is reflected in the Energy Vision.

## After workshop 1, ENA...

- Assigned time in the agenda for Workshop 2 to discuss the future of gas networks and their role in the Energy Vision in more depth, including having ENA's Head of Gas attend as a subject matter expert

In workshop 2, ENA clarified that the Energy Vision is based on ENA's view that decarbonised gas networks will continue to have a role in the future energy system, delivering clean hydrogen or other renewable gas, and that gas networks will continue to have a role as part of the future energy system. Some stakeholders stated that they acknowledge ENA's position on the role of gas networks and understand that as a peak body for energy networks, ENA is expected to represent the views of its members including gas networks.

Stakeholders discussed scenarios for the future of the energy system. Some stakeholders expressed the view that gas networks are unlikely to have a significant role in the future system. Some stakeholders expressed the view that while they accept that hydrogen is likely to form part of the future energy system, it is not clear what role it will fulfil or when or if it will become economically viable. Some stakeholders expect that the energy system will be largely electrified, and other stakeholders noted that the increasing pace of technological change means that technological pathways to net zero are not yet clear and continue to emerge.

Some stakeholders were concerned that the cost of retaining gas networks will be passed on to customers. Some stakeholders expressed the view that the Energy Vision dealt well with the uncertainty surrounding the future of gas by acknowledging that gas would likely play a role, but the specifics of what role are not yet known. Other stakeholders suggested that explicit assumptions should be stated in the Energy Vision about the future of gas networks, and make reference to any relevant modelling on which those assumptions were based.

## After workshop 2, ENA...

- Stated that gas networks were committed to decarbonising to deliver net zero energy and that they would continue to have a role in the future energy system
- Acknowledged stakeholders' divergent views about the future roles of gas networks
- Considered whether an explicit statement of assumption or reference to modelling was required as part of the Energy Vision, noting that it is intended to be high-level guidance only

In workshop 3, an agenda item targeted at discussing optionality across multiple topics resulted in further discussion on the role of gas networks in the future energy system.

Some stakeholders expressed the view that retaining gas networks, even in order to distribute hydrogen or biogas or other renewable gas, in the future energy system as a result of maintaining optionality was not in the best interest for consumers due to anticipated higher costs. Some stakeholders expressed the concern that retaining gas networks to provide optionality to consumers may delay customers from choosing to shift from gas to electricity, and affect the feasibility and affordability of large-scale electrification, thereby having negative outcomes for customers.

Some stakeholders were concerned that retaining optionality in relation to gas networks may have inequitable negative outcomes for low-income customers and disadvantaged customers who are least able to effect agency in shifting between energy types (e.g. purchasing new appliances, upgrading electrical panels).

## Summary of stakeholder views

- There is considerable debate on the role of decarbonised gas networks in the future energy system, with uncertainty about the role they will play over time
- Many stakeholder stakeholders are ambivalent about retaining gas networks as a vehicle for renewable/decarbonised gas but recognise ENA's stated expectation that their role should be addressed in the Energy Vision
- Many stakeholders seek to ensure the Energy Vision is clear about any assumptions it holds about the future role of gas networks

# Optionality

Stakeholders discussed optionality both in the context of the future of gas and renewable gas, in context of other factors such as technology advancements and network structures. Stakeholder views about optionality in context of the future of gas are captured on the prior page, while views about optionality more broadly are captured and detailed below.

In workshop 1, some stakeholders sought to clarify how optionality would be maintained as part of the Energy Vision, and expressed the view that retaining optionality may be problematic due to the risk of businesses and networks passing costs associated with retaining optionality on to customers.

Stakeholders acknowledged their understanding of the future being uncertain, but that the timeframe for attaining net zero is clear and set by science. Stakeholders therefore considered that some aspects of the Energy Vision may be in conflict with one another, and that retaining optionality may present additional risk to consumers.

After a brief discussion, stakeholders sought to discuss in further detail why retaining optionality is important, and clarify the value it delivers as part of the Energy Vision.

## After workshop 1, ENA...

- Assigned time in the agenda for Workshop 3 to discuss optionality in further detail.

This topic was not discussed in Workshop 2 as it was agreed between stakeholders and ENA to reserve further optionality discussion for workshop 3, where sufficient time could be allocated.

In workshop 3, a discussion on optionality included considerable discussion on the future of gas, and gas networks' commitment to deliver decarbonised gas to customers. This is documented on the prior page of this report, for clarity.

Stakeholders sought to clarify ENA's intention in including optionality as part of the Energy Vision, and ENA stated that optionality relates to multiple topics including but not limited to the future of gas, technology advancements, and network structures.

While some stakeholders stated that they saw retaining optionality as an important tool when managing uncertainty, other stakeholders expressed the view that retaining flexibility or optionality can come at additional cost to consumers.

Stakeholders discussed the concept of 'no regrets' decision-making and there was general agreement that 'no regrets' or 'least regrets' approaches can be useful in managing uncertainty by ensuring that decisions are not withheld in favour of retaining optionality.

Some stakeholders were concerned that an approach that favours retaining optionality may delay necessary action being taken by networks, and therefore increase costs to and potentially reduce benefits for consumers.

Stakeholders expressed the view that customers should not be required to fund the investigation into future options for networks without clarity on how it will be beneficial to customers. Some stakeholders also expressed that since the technological change point for the future energy system is not yet clear, optionality may need to be retained as it is unclear how net zero will be achieved under current existing technologies.

## Summary of stakeholder views

- Stakeholders seek to clarify the topics for which optionality is relevant
- Stakeholders seek to ensure that retaining optionality for networks is not retained to the detriment of customers



# Stakeholder views: engagement with market bodies



# Key discussion items

**After discussion with market bodies, the following topics emerged as key focus areas for regulatory and policy stakeholders.**



## Energy Vision

Stakeholders expressed support for the concept of an Energy Vision that describes how the three types of network will work together to enable net zero. Stakeholders discussed the role of community and government alongside networks in achieving net zero and noted increasing importance of community social licence over recent years.



## Energy Principles

Stakeholders noted the amendments ENA proposed to make to the Principles to reflect feedback from consumer and industry stakeholders, and discussed whether to include additional focus on efficiency and innovation.



## Future Energy System Uses

Stakeholders noted that the energy system of the future must consider all customer cohorts and scenarios, including those in which customers can't or prefer not to take up certain options.

# Market Bodies Feedback

## Energy Vision

Stakeholders expressed support to ENA for the development of the Energy Vision, and provided their insights which are captured and detailed below.

Stakeholders noted the purpose of the Energy Vision as presented by ENA and expressed support for the concept of an Energy Vision that describes how the three types of network (electricity transmission and distribution and gas distribution networks) will work together to achieve net zero. One stakeholder commented that the Energy Vision is unique in that it takes a whole-of-ecosystem view of how networks will achieve net zero.

Stakeholders expressed support for the way that the Energy Vision articulates a convergence of drivers towards net zero and positions energy networks as needing to enable net zero by no later than 2050.

Stakeholders discussed the role of community and government in enabling net zero, alongside networks, and the rapid shifts in community perceptions and social licence over recent years.

Stakeholders sought to ensure that the Energy Vision was sufficiently flexible to enable networks to innovate and respond to changes in the market in the future. Stakeholders discussed the ways in which networks' roles may change over time, for example as energy generation and storage is increasingly dispersed through services such as community batteries. Some stakeholders noted that as networks move into more competitive markets in the future energy system, the boundaries of what networks can deliver may change and that this will need to be considered by networks and regulators.

## Energy Vision Principles

Stakeholders discussed and reflected on the views of consumer and industry stakeholders, including:

- › Separating the principles of 'Affordable' and 'Customer-centric'
- › Adding the principle of 'Equitable'
- › Adding the principle of 'Resilient'.

Stakeholders were supportive of separating 'Affordable' and 'Customer centric', and discussed the importance of ensuring that the principle of 'Affordable' reflected an intention to provide the lowest costs for customers and maximise efficiency. Some stakeholders expressed the view that the Energy Vision should encourage the efficient use of infrastructure to result in a least-cost transition to net zero, and the role of innovation in doing so.

Stakeholders queried the role of energy networks in achieving net zero and whether their role is to enable, deliver or drive net zero. Some stakeholders expressed the view that networks could take a leadership role in the energy sector by bringing various parties (e.g. retailers, generators) together to form a pathway towards net zero. Overall, stakeholders expressed the view that networks should enable and deliver this industry wide collaboration towards net zero, not drive, and to show leadership and assistance where necessary.

Also raised was the suggestion that networks move beyond the traditional conversation on collaboration, to one across ENA's entire member base that allows for effective integration and coordination. A stakeholder noted this may rely on a further joint piece of work across all jurisdictions.

## Future Energy System Uses

Some stakeholders noted that the use cases should also reflect scenarios where customers can't or don't want to take up the option of distributed energy resources such as rooftop solar panels. Stakeholders also queried the future treatment of energy exports, and the timing of network investment relative to attaining certainty on industrial processes. ENA advised their intention to discuss optionality with consumer and industry stakeholders in Workshop 3, and acknowledged that there will be scenarios where optionality is not costless.

Overall, stakeholders stated that they consider the Energy Vision to be high level but comprehensive, and recognise the importance of facilitating debate on the role of energy networks in achieving net zero.

### Summary of stakeholder views

- Stakeholders recognise that perceptions among community and government change, particularly regarding increasing social licence, and addressing these changing perceptions will be important for networks' role in helping deliver net zero
- Stakeholders are supportive in principle of having an Energy Vision that describes the role of the three types of networks, and recognise that it will evolve over time
- Stakeholders consider that there may be a role for networks to facilitate collaboration across the energy sector, including with community and government
- Stakeholders recognise the purpose of the Energy Vision in describing how networks will work together to achieve net zero



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# Next Steps



# Next Steps

## Next steps

ENA has stated its intention to further consult with its members and seek their endorsement prior to finalising the Energy Vision in 2022.

## Summary

Below is an overview of stakeholder views for ENA to consider in revising its Energy Vision as a result of this engagement process.

## Summary: Consumer and Industry Stakeholders

Topic	Stakeholder Feedback
<b>Energy Vision</b>	<ul style="list-style-type: none"><li>• Stakeholders expect the Energy Vision to clarify any assumptions on which it is based</li><li>• Stakeholders seek to ensure that customers and communities are at the centre</li><li>• Stakeholders seek to ensure that the timeframe of achieving net zero is evidence-based and sufficiently ambitious</li><li>• Stakeholders seek to ensure the Energy Vision clarifies the role of energy networks in achieving net zero, including that networks may need to achieve net zero earlier than other sectors in order for other sectors to decarbonise</li></ul>
<b>Energy Principles</b>	<ul style="list-style-type: none"><li>• Stakeholders seek to ensure that 'Safe', 'Affordable' and 'Reliable' energy remain as core values and high priority</li><li>• The following principles for the Energy Vision were further discussed with stakeholders: clean, customer-centric, equitable, integrated, resilient, investable</li><li>• Stakeholders suggest considering reviewing the wording of each principle to ensure it helps inform future decision-making</li></ul>
<b>Future Energy System Use Cases</b>	<ul style="list-style-type: none"><li>• Stakeholders seek to amend the customer needs component to clarify that it describes how the future energy system will deliver on consumer needs, rather than to specify the consumer needs themselves</li><li>• Stakeholders discussed addressing land usage as part of the transition to net zero</li></ul>
<b>Role of Gas Networks</b>	<ul style="list-style-type: none"><li>• There is considerable debate on the role of decarbonised gas networks in the future energy system, with uncertainty about the role they will play over time</li><li>• Many stakeholder stakeholders are ambivalent about retaining gas networks as a vehicle for renewable/decarbonised gas but recognise ENA's stated expectation that their role should be addressed in the Energy Vision</li><li>• Many stakeholders seek to ensure the Energy Vision is clear about any assumptions it holds about the future role of gas networks</li></ul>
<b>Optionality</b>	<ul style="list-style-type: none"><li>• Stakeholders seek to clarify the topics for which optionality is relevant</li><li>• Stakeholders seek to ensure that retaining optionality for networks is not retained to the detriment of customers</li></ul>

## Summary: Market Bodies Stakeholders

- › Stakeholders recognise that perceptions among community and government change, particularly regarding increasing social licence, and addressing these changing perceptions will be important for networks' role in achieving net zero
- › Stakeholders are supportive in principle of having an Energy Vision that describes the role of the three types of networks, and recognise that it will evolve over time
- › Stakeholders consider that there may be a role for networks to facilitate collaboration across the energy sector, including with community and government
- › Stakeholders recognise the purpose of the Energy Vision in describing how networks will work together to achieve net zero



Energy  
Networks  
Australia

# Appendix



# Attendance

## Participants: Consumer and Industry Groups

Organisation	Workshop 1	Workshop 2	Workshop 3
AI Group (Australian Industry Group)	Apology	Apology	Attended
Australian Council of Social Service (ACOSS)	Attended	Attended	Attended
Australian Energy Council	Attended	Apology	Apology
Australian Renewable Energy Agency (ARENA)	Attended	Attended	Attended
Brotherhood of St Laurence	Apology	Apology	Attended
Business Council of Australia	Apology	Apology	Attended
Clean Energy Council	Attended	Apology	Apology
Council of Small Business Organisations of Australia	Attended	Attended	Attended
Council on the Ageing (COTA)	Attended	Attended	Attended
Energy Consumers Australia	Attended	Attended	Attended
Energy Users Association of Australia	Attended	Attended	Attended
Major Energy Users	Attended	Attended	Apology
Public Interest Advocacy Centre	Attended	Attended	Attended
St Vincent de Paul Society	Apology	Apology	Attended
Total Environment Centre	Attended	Attended	Attended
Uniting Communities	Apology	Apology	Attended

## Participants: Market Bodies

Organisation	Workshop
Australian Energy Market Commission (AEMC)	Attended
Australian Energy Market Operator (AEMO)	Attended
Australian Energy Regulator (AER)	Attended
Economic Regulation Authority WA (ERA)	Apology
Energy Policy WA (EPWA)	Attended

## Additional invitees: Consumer and Industry Groups

The following organisations were invited to participate but were unable to do so.

Ethnic Communities Council of NSW; Multicultural Communities Council of SA; Thriving Communities Partnership



# Contacts in relation to this document

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