

Energy Networks Australia Engagement Approach

to the Australian Energy Regulator (AER) Rate of Return Guideline
Review

December 2017

Purpose and scope

Purpose

- » Engagement Strategy: Energy Networks Australia plans to engage with stakeholders to gain input and feedback to help inform its own considerations and positioning to feed into the AER process. This strategy is intended to complement and support the AER's guideline development process. It will also allow Energy Networks Australia to gain direct input and feedback from its stakeholders to inform industry's thinking as it develops positions on key issues and topics. Energy Networks Australia also wants to do what it can to reduce electricity prices for consumers, which means hearing from consumers is vital.

Why is this important?

- » Consequences for Consumers: The Rate of Return Guideline will affect nearly every Australian energy consumer. Energy Networks Australia's rate of return engagement process is aimed at building trust with consumers and other stakeholders.
- » Consequences for the Energy Network Sector: As a binding Rate of Return Guideline, industry wants to achieve a commercial return based on past capital investments, and sufficient incentives to underpin required investment to support safe and reliable delivery of regulated network services to consumers.

Scope

- » This engagement approach focuses on engaging with energy consumer advocates, industry groups and other stakeholders with a view to establishing a Rate of Return guideline that is capable of acceptance.

Energy Networks Australia Rate of Return Engagement Principles

Engagement Principles



Practice and adopt constructive language collaborative and inclusive approaches will be adopted to support engagement success.



To listen in all we do to engage, we will be open and responsive to our consumers and their views.



To be inclusive we will provide support to stakeholders so they are informed about technical topics, including alternate perspectives.



To be transparent we will publish our engagement approach to inform our stakeholders about what we intend to do. We hope this will encourage stakeholder participation and complement the AER's guideline process.

Key Engagement Elements

- » Energy Networks Australia Rate of Return Engagement Approach - reflected in this document and which may be updated over time.
- » Energy Networks Australia Rate of Return Stakeholder Network – the Energy Networks Australia consumer engagement contacts and other stakeholders who can provide direct input throughout Energy Networks Australia's engagement process. This seeks to complement AER consumer engagement processes and is intended to include the views of a range of stakeholders. Energy Networks Australia will advise how and when input can be provided via online channels or directly.
- » Energy Networks Australia Engagement Owners – central points of contact with Energy Networks Australia.
- » Online channels – established via Energy Networks Australia's website to manage communication and engagement materials. Energy Networks Australia intends to publish/report on feedback received at key stages.
- » Education and Engagement Materials – Information sheets, infographics, presentations and other materials for stakeholders and Energy Networks Australia member use.

Engaging Consumers

We will inform and involve consumer groups and advocates, seeking input and feedback where we can and reflect how we have taken this feedback into account in our positions.

Engaging Other Stakeholders

We will also inform and involve industry groups, the AER, and other stakeholders throughout all stages of engagement.

Targeted engagement level

Level of Engagement

The IAP2 spectrum outlines the extent to which a stakeholder may be informed, consulted, involved, collaborated with or empowered within the engagement program.

Overall, the Energy Networks Australia will target the 'involve' level of engagement throughout the Rate of Return Guideline Review as much as possible.

Energy Networks Australia will also explore opportunities to collaborate with consumer advocates, industry, investors, the AER and other stakeholders on specific topics through the Rate of Return Guideline Review process.

IAP2'S PUBLIC PARTICIPATION SPECTRUM



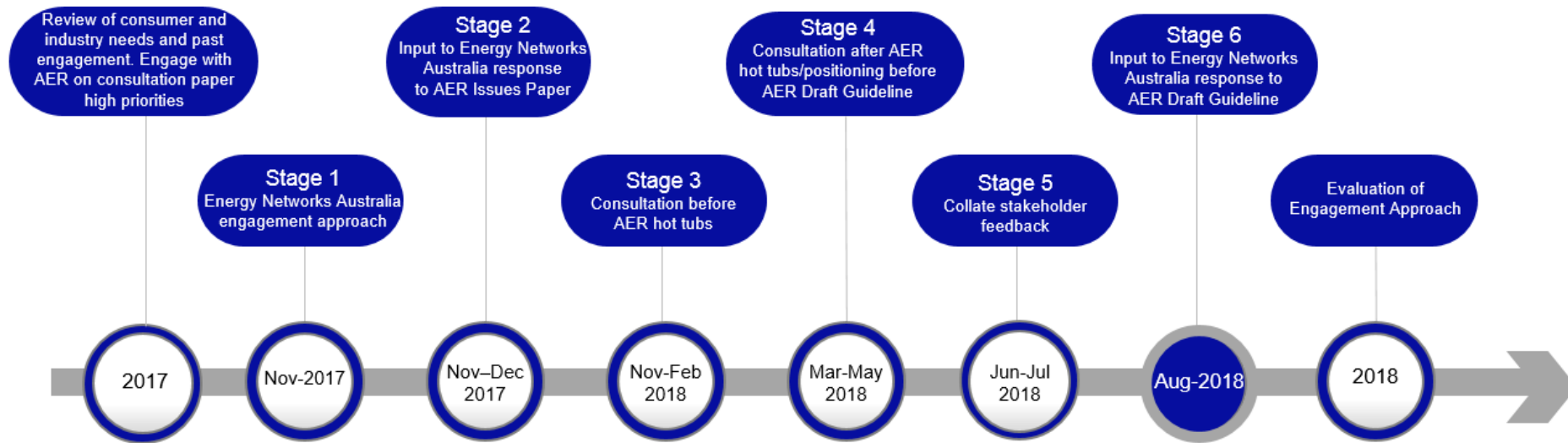
The IAP2 Federation has developed the Spectrum to help groups define the public's role in any public participation process. The IAP2 Spectrum is quickly becoming an international standard.

INCREASING IMPACT ON THE DECISION

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

For more information regarding the IAP2 Public Participation Spectrum, refer to <http://www.iap2.org>

Engagement delivery and engagement methods at a glance



Australian Energy Regulator indicative timeline



AER Rate of Return Guideline Consultation Dates

Possible engagement methods and tools through process

- » Publication of draft Engagement Approach
- » Stakeholder discussions
- » Consultation Document
- » Targeted consultation on key topics
- » Stakeholder feedback sessions/briefings/webinar
- » Publication of final submission
- » Online channels

A living document

Energy Networks Australia may update this engagement approach document from time to time to reflect feedback from stakeholders and/or a change in circumstances.