

28 August 2020

AEMO Stakeholder Relations
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Ausgrid appreciates the opportunity to comment on AEMO's Engagement Model options paper, published on 17 July 2020.

Over recent years we have been working to improve our own customer engagement and embed a more customer focused approach across our entire business. As the owner and operator of a shared distribution network providing electricity to over 4 million people, we recognise that stakeholder engagement is critical as our network evolves to meet changing customer needs.

As part of our 2019-24 distribution determination we reviewed our customer engagement framework and developed a model with an overarching consultative committee, as well as new sub-committees. Consistent with the IAP2 consultation framework, our engagement objective is to collaborate with customers about the future direction of the network and develop potential solutions together.

We encourage AEMO to have a similar objective as part of its new engagement model. In order to build stakeholder trust and confidence in any new arrangements, AEMO will need to demonstrate that it is taking stakeholder views into account as part of its decision making.

In its options paper, AEMO is seeking views on three possible reform options for its stakeholder engagement. We support the establishment of strategic committees to have visibility of working groups and review developments. We also share Energy Networks Australia's (ENA) concern about the exclusion of industry peak bodies from those strategic committees.

There are a significant number of reforms currently being undertaken across the National Electricity Market. It is likely to be far more efficient for industry bodies such as the ENA, Australian Energy Council, and Clean Energy Council to represent their members' views on the strategic committees, should their members support that representation. For this reason, we think that AEMO should accept nominations for employees of industry associations to participate on the strategic committees, on the proviso that they are nominated by one of their members.

We think this approach is consistent with the intent of AEMO's reform of its engagement approach, which is to deliver a more collaborative, transparent and dynamic experience for all

its stakeholders.

We agree that there is merit in the proposal for AEMO to provide quarterly stakeholder updates and encourage AEMO to consider developing similar quarterly reporting arrangements to National Grid in the UK.¹ These reports would provide structure to the quarterly updates and allow stakeholders to understand how AEMO is tracking in various aspects of its role and implementation of strategic initiatives.

We support the views expressed by the ENA in its submission to AEMO. We also agree with the ENA's comment that regardless of which structural and governance option is finally adopted by AEMO:

what would be most valuable is a cultural shift in engagement from informing to more genuine consulting and collaboration

Thank you for the opportunity to comment on AEMO's new engagement approach. If you have any queries in respect of this submission, please contact me on (02) 9269 4367 or john.skinner@ausgrid.com.au

Regards,

John Skinner

Acting Head of Regulation

¹ See for example National Grid's June 2020 quarterly report here: https://www.nationalgrideso.com/document/173396/download