

MEUG Executive Committee discussion with Electricity Authority Board, 12 March 2018

1. Introductions and an invitation to the EA Board to visit individual member company sites.
2. We welcome an opportunity for the EA Board to raise topics with us.
3. MEUG is working in detail across a range of EA, CC and MBIE governed work-streams and other activities relevant to MEUG members. For the next 18-months we expect top non-EA related priorities to include the MBIE led electricity price review and CC work reviewing the CPP process, processing new CPP applications and the IPP and DPP resets.
4. EA work of top-priority for MEUG for the next 18-months are:

- **RTP:** In addition to being generally supportive of RTP, MEUG has an interest in opportunities with RTP to improve the DD regime.
- **DDA:** MEUG's preference is to progress default contracts for all parties that wish to have a contract for line services with an EDB, ie retailers and customers that wish to by-pass retailers and be direct spot purchasers from the wholesale market.

We will be interested to see if the scope of the DDA covers issues that concern members such as managing outage information.

- **Distribution pricing and TPM:** MEUG is working to align EA work on monopoly line pricing with improving line cost allocations in Asset Management Plans (AMP). With TPM derived charges ~30% of EDB charges, EDB price and TPM improvements should align and these price signals be passed through to end consumers.

The above 3-topics are of high strategic opportunity and or risk and likely to be resource intensive for effective MEUG engagement. Other high value strategic issues such as continuous monitoring and improvements in assessing long term security of supply are unlikely to be as resource intensive, though we will ramp up resourcing if needed. Sometimes issues require consideration of other government policies outside the EA remit affecting efficient incentives, such as those influencing decisions to retire the Rankine units from using coal from the spot market and or in a dry-year reserve role.

For other likely important events, such as the listing of a cap product by ASX later in the year and the implementation of a revised extended reserves regime, we resource to manage those as business-as-usual continuous improvement work by the EA.

Similarly, we are monitoring the work of IPAG and work-streams on emerging technology and "joining-the-dots" on other workstreams that will change EA and CC regulatory frameworks relevant to MEUG members in anticipation of technology led disruptions.

5. Any-other-business: An opportunity is requested for individual MEUG members to raise topics not covered in the 3-main topics listed in paragraph 4 above.