

Ausgrid's Draft Plan

**Voice of Community Panel + Wider
Community Feedback**

15 October 2022

RESILIENCE

Topic	What we have done with what we heard.	RCP questions and concerns.	Panel Suggestions for the RCP
<p>Resilience</p> <p>Cost: \$204m Bill impact 2029: \$5 of the \$38</p>	<p>A program of investments. Benefits include:</p> <ul style="list-style-type: none"> • Maintain future climate change risk to the network and communities by installing network and community solutions. • Reduced outages for worst served customers by creating redundancy in 100 areas to allow the network to get back on faster (network investment example). • Provide community support before, during, and after events by deploying 5 mobile community hub caravans (community support example). <p>Community solutions such as education campaigns and mobile community hubs account for approx. - \$25m</p>	<ul style="list-style-type: none"> • Resilience is \$5 of the \$38 ... about 15% • Customers have indicated that there is an expectation that Ausgrid take steps to prepare for climate change, in particular more severe and frequent storms, extreme bushfire risk and network stress on consecutive hot days. Their modelling suggests that new expenditure of about \$5 on the \$38, or 15% or the new work is needed. Does that feel right to you ? • The investment can be targeted at being proactive - that is to 'harden the network' in highest risk areas, or to cover the risk of where the weather may or may not hit by 	<p>Urban areas already well served - so prioritise non urban areas</p> <p>The programme looks good, please reduce cost</p> <p>Seems like a good balance - diversity of strategies</p> <p>Consider environmental impact of solar panels in the future</p> <p>Community based solutions, demand or supply side, we want to be a part of the solution, potentially in a commercial sense.</p> <p>Strong emphasis on community/individual independence and response, relative to network hardening. Ensure solar pv/batteries don't rely on grid power - defeats object.. Importance of better communication in emergencies - alternative ways of dealing with extreme heat</p> <p>Employ dedicated meteorologist to anticipate disasters</p> <p>Prioritise Community based solutions</p>

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	<p>Improved network assets, back up generation, microgrids and other network based investments account for approx. - \$179m</p>	<p>extending an effective recovery response to respond during and after the event. Where do you think the balance should lie ?</p> <ul style="list-style-type: none"> • Responding to supply risks on hot days, such as local overloads, are infrequent and can be widely scattered, and as such, can be considered as not a priority for significant investment. However, we recognise the major health and community safety risks for loss of power on consecutive hot days. Should we raise the priority of this type of network investment ? 	<p>Needs to be aware of heat affect - not always about tree maintenance. Could also liaise with councils for “trees in urban areas”</p> <p>Heat issue - significant for people but Ausgrid is not always responsible for the solution with information people may resolve the issues for themselves.</p> <p>Look at cheaper effective solutions that do not involve Ausgrid workers - eg send people affected to a hotel for a few days versus sending out workers to fix the issue.</p> <p>Partnership is a way to save money to get better and cheaper outcomes eg CSIRO; Councils; Aged care providers through their workers</p> <p>Community engagement. Engagement with Indigenous communities in particular is really lacking.</p> <p>Recommendation 5</p> <p>21 respondents: 6 Love this 12 Like it 2 Can live with it Noteworthy that there were no negative responses</p>

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CUSTOMER SERVICE

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<p>Customer Service</p> <p>Customer Service Cost: \$20m Bill impact 2029: \$1 of the \$38</p>	<p>Investments to improve the timeliness and accuracy of outage information - \$10m</p> <p>Website and SMS services improvements - \$2.5m</p> <p>Improving our connections process for large customers - \$7.5m</p> <p>Benefits include: Seamless experience for connecting customers when communicating with Ausgrid from enquiry to energisation 43 minutes saved per customer to seek information and get things done with us</p> <p>Proposing that the AER apply a Customer Service Incentive Scheme (CSIS) to us from 1 July 2024. Whereby we return up to \$43 million to customers if we do not improve our customer service.</p>	<p>Concerns, perspectives or potential areas of challenge from the RCP:</p> <ul style="list-style-type: none"> How comfortable you are that the Draft addresses your expressed concerns about call centre empathy, ability to speak with a person, support for vulnerable consumers (LSC, CALD, financially vulnerable etc)? Regarding the proposed CSIS – are there any areas that might need to be accentuated/altered/added ? The difference between your (VoC) preference for a \$7m spend on improving customer experience and the Draft's \$20m proposal - do you agree with/understand Ausgrid's rationale/reasoning? 	<p>Responses:</p> <ol style="list-style-type: none"> LOVE IT: 4 LIKE IT: 3 LIVE WITH IT: 6 LAMENT IT : 3 <ul style="list-style-type: none"> Money in draft plan is three times what the VOC proposed amount? Why? What are the benefits from this huge increase in money to be spent? Customer service improvement can lead to better customer retention that improve revenue Need to ensure human customer service experience. If cuts need to be made, this area should be reduced in funding. I would like to know that the investment is being used to significantly

			<p>improve customer satisfaction.</p> <ul style="list-style-type: none">• More of the focus on your residential customers even when you don't interact with them.• Quick response in case of emergencies and in the language of customers
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INNOVATION

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<p>Innovation</p> <p>Cost: \$50m Bill impact 2029: \$2 of the \$38</p>	<p>Trials based on 'innovation investment principles'</p> <p>Testing new innovative technologies that better integrate customer solar & EVs, conducting research and trialling advances in network equipment that have potential to improve safety & reliability</p>	<p>Concerns, perspectives or potential areas of challenge from the RCP:</p> <ul style="list-style-type: none"> • How NIAC is delivering benefits for customers • What is proposed in the \$50m innovation program in the Draft Plan? • Are the innovation principles correct and how should they be weighted? 	<p>5 love it 10 like it 1 live with it 4 lament it 22 people signed</p> <ul style="list-style-type: none"> • more work with vehicle to grid implementation • Look at other avenues other than batteries and whether they have long term capabilities • Need to look at cable capacity • Lower the cost to increase reliability • Good idea to spend \$ on intelligent network as it would be cheaper to discovery of faults as well as more accurate info • spend more in accelerating decarbonisation • Not enough of spend • priority of decarn and resilience relative to fairness and lowering cost other ways /actions should address fairness

			<ul style="list-style-type: none">• innovation can significantly reduce cost in the long term. Resilience and cost are equally important• intelligent network e.g partnership with CSIRO, Unis, etc to come up with community solutions• Ausgrid should engage in innovative practice across all facets of the company . community innovation should be the priority particularly partnership with social organisations.• Trialling should consider geographic and social economic focus (from 2 people)• all areas should be considered according to geographic and social economic conditions.• innovation is super important but I can see how you have doubts about Ausgrid being able to deliver on it usefully-good call.• Offer community the opportunity to be involved in solutions.
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			<ul style="list-style-type: none">● Put resilience up the list on weighting because resilience pays forward both in money cost and personnel capability.● innovation in intelligent network, where smart grid, access, and new technologies can be used to improve the system.● innovation principles 1. fairness 2. improve resilience 3. safety 4 lower cost to customer.● innovation principles 1 accelerating decarbonisation 2. improve resilience
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NET ZERO

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<p>Net zero</p> <p>Cost: \$110-\$153m Bill impact 2029: \$6 of the \$38</p>	<p>New processes and tools, including upgrading our systems to give us better visibility of all parts of our network.</p> <p>Including, better understanding 2-way energy flows across the network and monitor potential electrical faults that can cause safety hazards, by investing \$24m in smart meter data.</p> <p>Benefits include: Remove barriers, and enable customers to maximise their energy investments Connect 110,000 new solar customers ~ 1GW of clean energy</p> <p>350,000 Electric Vehicles ~ 262,500 tonnes/CO_{2-eq} emission reductions p.a. 100,000 residential battery systems ~ 1GWh of storage</p>	<p>Concerns, perspectives or potential areas of challenge from the RCP:</p> <ul style="list-style-type: none"> • We heard you want to mandate the new pricing platform as of 2025. Is this desire dependent on anything else? • We understand customers need information to make the best use of new tariffs. How should Ausgrid encourage the uptake of smart meters that are needed to make best use of those tariffs? • We heard that you want batteries but we need to be certain you understand that the benefits are uncertain and will, if realised, not be shared amongst every customer. Are you comfortable with that? If not does Ausgrid need to do more research and development on batteries? 	<ul style="list-style-type: none"> - Majority (11/18) "like it". 4 "love it", 3 "live with it". - We recognised that Ausgrid is limited in what it can do in contributing in this area - Partnership with other institution, government agency, council to faster adoption on Solar, EV, batteries - Working with government and social housing to help educate everyone including the low income and vulnerable population on how they can be involved in the drive to Net Zero, how they can get a smart meter, etc. - Remember to consider just Solar Panels or Batteries, explore other initiative that could contribute to Net Zero - More education, explanation to the public about how the tariffs contribute to the cost. And why it is a reasonable and

			<p>fair change. Things to emphasise: customers are not being charged to export, they are just being rewarded a little bit less; and they are being rewarded for shifting their usage and smoothing out load on the grid.</p> <ul style="list-style-type: none">- Suggestion to prioritise community batteries in areas with high density, heritage limitations, lots of renters, ... so that they can benefit from renewables and reduced cost.- Provide customers with more info on battery technology, e.g. lifespan, suitability.- Double-check the numbers in the draft plan for mistakes/typos.
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CYBER

Topic	What we have done with what we heard.	RCP questions and concerns.	Panel Suggestions for the RCP
<p>Cyber</p> <p>Cost: \$106m Bill impact 2029: \$11 of the \$38</p>	<p>Ensuring our safeguards align with industry best practice.</p> <p>Gradually increasing our cyber compliance by reaching Cyber level 2 by mid 2027 and then progressively improving to Cyber level 3 by 2029.</p> <p>Benefits include: Reduced likelihood of a cyber incident affecting integrity of customer data and/or safe supply & restoration of energy</p>	<p>Concerns, perspectives or potential areas of challenge from the RCP:</p> <ul style="list-style-type: none"> • How important do you consider cyber security is compared with other issues Ausgrid is seeking to balance eg enabling export of roof-top solar, building a grid that is more resilient to climate change? • What factors do you consider have changed since the VoC discussion that may lead you to have a different view to when you were part of the VoC? • Do you think that Ausgrid has any choice in the level of cyber security it should seek? 	<p>Ausgrid should ensure the cyber protection processes are well-researched and transparent to customers and stake holders.</p> <p>Cyber security is a necessity of the highest level.</p> <p>Wise cyber investment can mean greater network stability/resilience.</p> <p>To what extent is there a crossover between Cyber and IT - what is being spent where?</p> <p>Cyber security will only become more important - we should stick with L3 if there is no negative impact on the customer</p> <p>Invest now, to prevent a greater spend later. Prevention is better than a cure!</p>

IT SYSTEMS UPGRADE

Topic	What we have done with what we heard.	RCP questions and concerns.	Panel Suggestions for the RCP
<p>IT system upgrades</p> <p>Cost: \$143m Bill impact 2029: \$12 of the \$38</p>	<p>Improving our capability through system upgrades, that enable us to be more efficient, and improve our ability to innovate in areas such as pricing. Making an upfront commitment to reduce our operating costs by \$32 million over the 2024-29 period.</p> <p>Benefits include: Maintain reliability of market transactions and billing processes in line with obligations to adjust to changing market drivers e.g. dynamic tariffs Maintain operational costs at current levels by offsetting cost increases in other areas of the business Improves customer experience by supporting simpler internal processes Enables Ausgrid to provide more innovative service offerings, such as dynamic supply and pricing options</p>	<p>Concerns, perspectives or potential areas of challenge from the RCP:</p> <ul style="list-style-type: none"> • Are the benefits from the proposed IT investment tangible enough for you to support the expenditure? • Should Ausgrid be held to account for any cost overruns in implementing the new I.T. system and if so, how? • Is it in your interest for the proposed investment to be depreciated over a longer period than five years? 	<p>Firm guidelines and clarity about what iws being delivered and how benefit organization and customers</p> <p>2,definite interest in distribution over cost over a longer period of time if environment(financial) alters significantly.</p> <p>3. deporiencia=ate investment over shortest time. Keep IT accountable'</p> <p>4. Essential but must be tightly managed. Ausgrid or (preferably) contractors for cost overruns. Depreciate over AER allowswperiods of</p> <p>5. We can't afford to not upgrade system.</p> <p>6. Important to do but is there any potential to recover inlonger periods.</p> <p>7. Important to do and make it friendly with all people</p>

			<p>8 smart grids</p> <p>9. depreciate over 10 year period 15 too long and 5 too short. Definite no over spend</p> <p>10. If the system is not old you have to upgrade sooner rather than later. Can probably argue to recover costs over 10 years. But Prioritize on going development . Make sure not delayed for next time.</p> <p>11. Consider recovery of costs over longer period of time.</p> <p>12. Ausgrid should be accountable for any cost overrun.</p> <p>13. Consider other improvements being implemented in other areas.</p> <p>14. Support longer depreciation to reflect longevity of investment</p> <p>love it - 6: Like it 10: Live with it - 3.</p>
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OTHER

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<p>Other</p> <p>Other parts of the bill and your household expenses are likely to change.</p>	<p>Inflation and interest rate increases will impact Ausgrid's portion of your electricity bill, but other parts of the supply chain will also be impacted.</p> <p>The costs of transforming our electricity supply to renewable one will impact different parts of the bill.</p> <p>Many items in your household budget have risen recently and are likely to continue to rise.</p>	<p>Concerns, perspectives or potential areas of challenge from the RCP:</p> <ul style="list-style-type: none"> • What initiatives across the six investment areas should Ausgrid prioritize in the next five years? Which initiatives do you consider essential? Which can be pushed into the future? • How do potential changes in external factors* affect your perspective on Ausgrid's proposed investments? <ul style="list-style-type: none"> ○ *i.e. inflation, interest rates, concessions, hardship support, roadmap costs, government subsidies • Should Ausgrid be required to get back to you if there are changes to these external factors? If so, what types of change should trigger the requirement to re-engage? 	<p>IT upgrade benefits: such as increased productivity and efficiency. Would this be able to reduce cost?</p> <p>Would not want to see much change in balance between the six pillars. Need to consult again if external factors change significantly. Should be pushed for government support for innovation, resilience and for financial support for low income consumers.</p> <p>Prioritise long term investments e.g. net zero - will take longer to see benefit but impacts every other aspect.</p> <p>Priority is EVs and community batteries to achieve net zero.</p> <p>IT is the priority as is cyber. Net zero needs to be dealt with and results will be seen long term.</p>

			<p>Prioritise safety and resilience, innovation and cyber over others.</p> <p>Increase community engagement overall, particularly with indigenous communities.</p> <p>Prioritise equity in decision making about where to locate community batteries and investment.</p> <p>Don't lose sight of what's important over the long term even if it takes longer to pay off or see benefits.</p>
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