

CitiPower SME survey results | Contents

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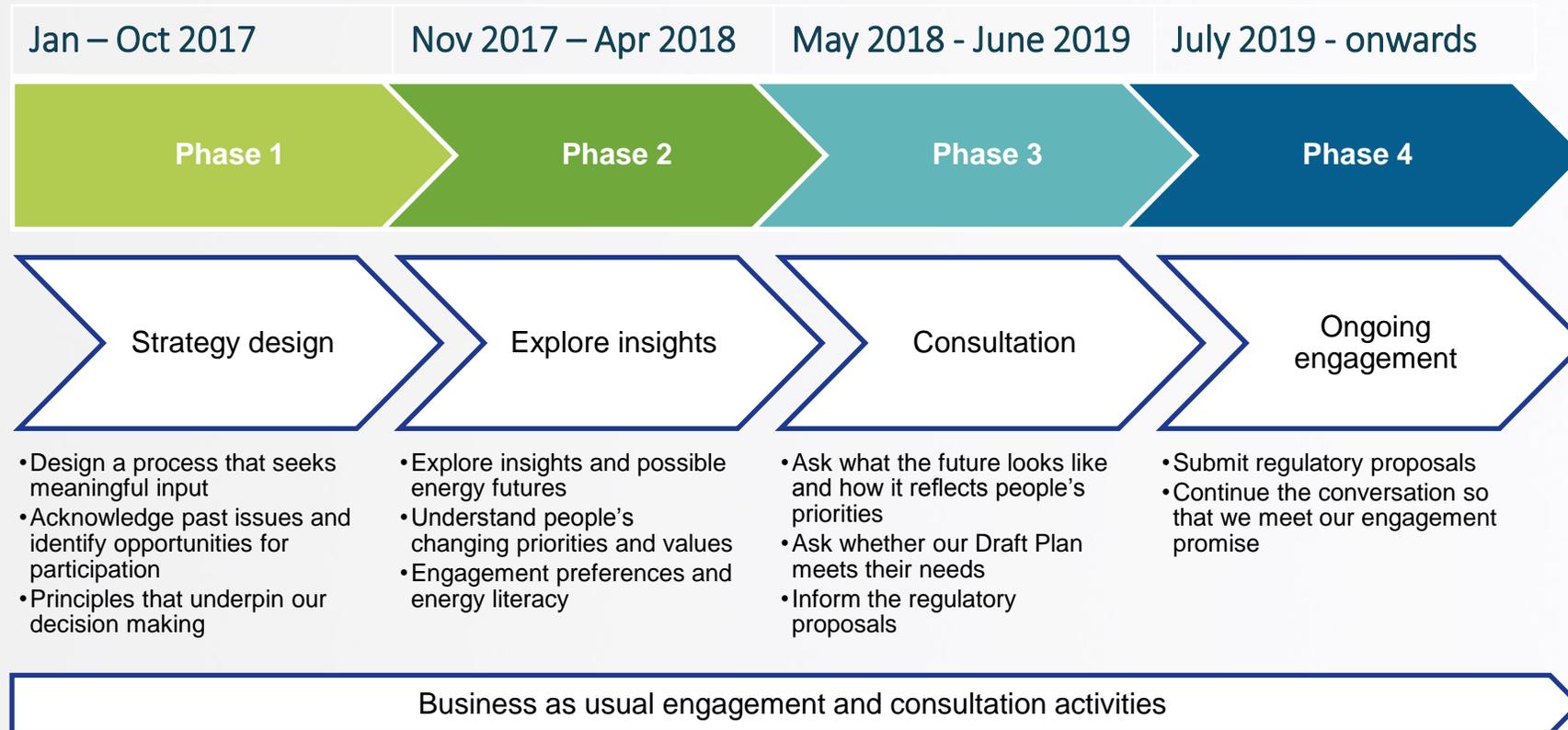
Background and context

- CitiPower is required to provide a regulatory proposal to the AER every five years, detailing its predicted expenditure and revenue requirements over the regulatory period.
- CitiPower is currently developing its regulatory proposal to the AER for the 2021-2025 regulatory period.
- To help shape this regulatory proposal, CitiPower is keen to further understand customer priorities, how they see the future, and to assess the Draft Plan.
- Woolcott Research and Engagement has been commissioned to conduct customer and stakeholder engagement to input into the preparation of the regulatory proposal.

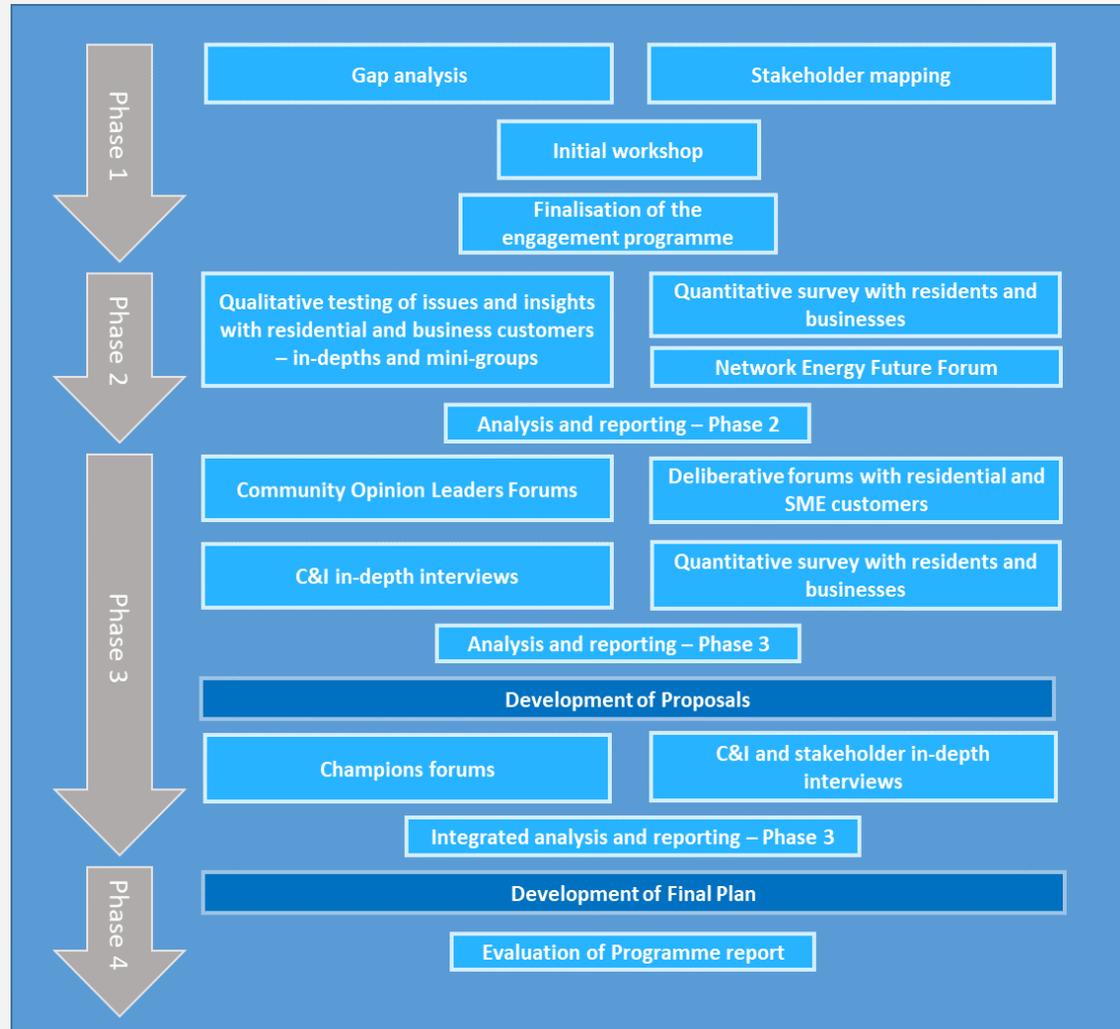


Engagement programme

We are currently in phase 3 of the programme



Engagement methodology



Key findings

Knowledge & literacy

- Like residential customers, most business customers did not know the name of their electricity distributor (71%), with many confusing their retailer and distributor.
- When prompted, around two thirds of businesses were aware that the distributor responded to electricity outages, whilst many also stated that they got electricity to their businesses and maintained poles and wires. Businesses were slightly more aware than residential customers of the role of CitiPower.

Customer benefits

- The most important benefits/values were perceived to be reliability and safety, followed by managing the network at the lowest cost.

Connecting to the network

- Only a minority had experienced connecting a new premises to the network (10%) but most were satisfied with the experience (86%).
- Responses to a 'fast track user pays' option were mixed but larger businesses were more in favour (81%).

Key findings

Reliability of supply

- Satisfaction with the reliability of the current electricity supply was high (90%).
- Just over a third of business respondents had experienced an outage in the last 2 years (36%) with the level of impact of outages on the business being low.

Compensation payments (GSLs)

- Respondents were most likely to believe that GSL payments should either be increased (41%) or stay the same (36%). However, investment to improve reliability in worse performing areas was preferred over continued compensation through GSL payments.

Power quality

- Over 1 in 4 business respondents indicated at least a moderate level of impact from variations in power quality. Impacts included computer issues, damage to electronic devices and an inability to serve customers or even having to shut down the business.

Key findings

Making it easier to export solar and charge your battery

- Almost one in five businesses in the CitiPower network area have either solar panels, a central system that manages power and appliances, electric vehicles or battery storage.
- Around half of businesses with more than 5 employees had one or more of those options.
- Installing solar panels or purchasing a battery were the most likely technologies to be adopted in the future.
- Nearly a third (30%) of businesses were interested in exporting power back to the grid. This was most popular amongst larger businesses with around a half of businesses with over 5 employees stating they were interested.
- There were mixed views about who should pay for any investment required to ensure power quality due to exporting electricity – exporting customers or all customers.
- Nearly half of respondents favoured a ‘one-off’ standard connection charge for connecting new technologies to export power. More than half of business respondents said they thought customers would be likely to pay a \$500 upfront fee.
- Almost two thirds thought that parts of the electricity network should be upgraded quicker to allow for more renewable energy users and large customers to connect/export solar power to the grid.

Key findings

Safety

- Almost three quarters had never had concerns about the safety of the electricity network (73%).

Vegetation

- Around half would like vegetation to be trimmed at the same level and frequency as it is currently (49%) and just over half believed that CitiPower should remove and replace some vegetation (55%).

Undergrounding

- Even though it costs more to consumers, 70% of business respondents felt that the distributor should invest more into moving poles and wires underground that are in road accident black spots.
- After hearing about the safety strategies, almost half agreed that enough is being done to manage safety across the network (45%) although more than half were unsure/didn't know (51%).

Key findings

Energy usage data

- Fewer business respondents than residential respondents (46%) were interested in accessing their real time energy usage data.
- Fewer also indicated they were likely to use the real time data to receive rebates or savings (47%).
- Some of the perceived benefits of real time data access included managing & adjusting consumption, improved budgeting and identifying the best times for heavy usage.

Key findings

Affordability and pricing

- Whilst the vast majority indicated that they had not sought advice about methods of payment or deferral of payment, more than half felt their bills were expensive or very expensive.
- Fewer business respondents stated that they would be likely to participate in trials or programs to receive a small financial incentive or reward (approx. \$10-15) to reduce their electricity usage at peak times when asked by CitiPower (36%).
- However, 78% indicated that they would be happy to respond to peak pricing signals and reduce power when alerted. On average, businesses felt that they should receive a rebate of around \$152.51 to participate in the signalling program, with smaller businesses expecting higher rebate amounts (with the exception of sole traders).
- Around a third were willing to allow CitiPower to adjust their energy usage remotely for appliances such as air conditioners if they didn't notice a large difference in heating/cooling (35%).
- Almost a third of businesses were unaware of what their current electricity pricing structure was (31%).
- There were mixed views about what type of tariff would best suit their needs between a Time of Use tariff and a Flat Rate with marginally more thinking Time of Use would suit them best (51%).

Methodology

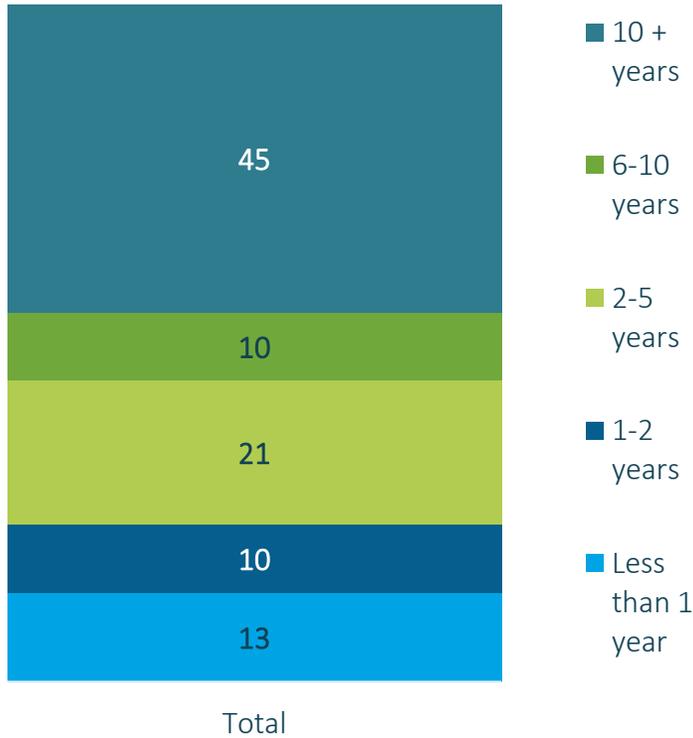
- The survey was conducted online.
- N=200 completes were obtained.
- The online respondents were sourced through an online panel provider, used solely for research purposes.
- The survey was live from 21/06/2018 to 05/07/2018.
- Data was weighted during the analysis by size of business to reflect the CitiPower area.

The survey covered the following areas:

- Knowledge and literacy
- Customer values
- Ease of connection
- Reliability & quality of supply
- Exporting and charging batteries
- Safety
- Energy usage data
- Affordability and pricing

Business profile

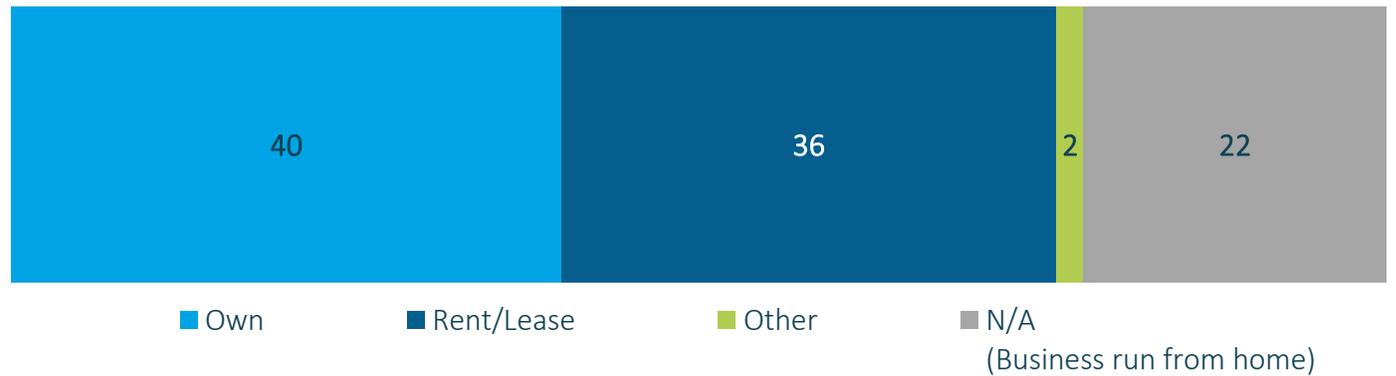
Age of Business



Position in Company



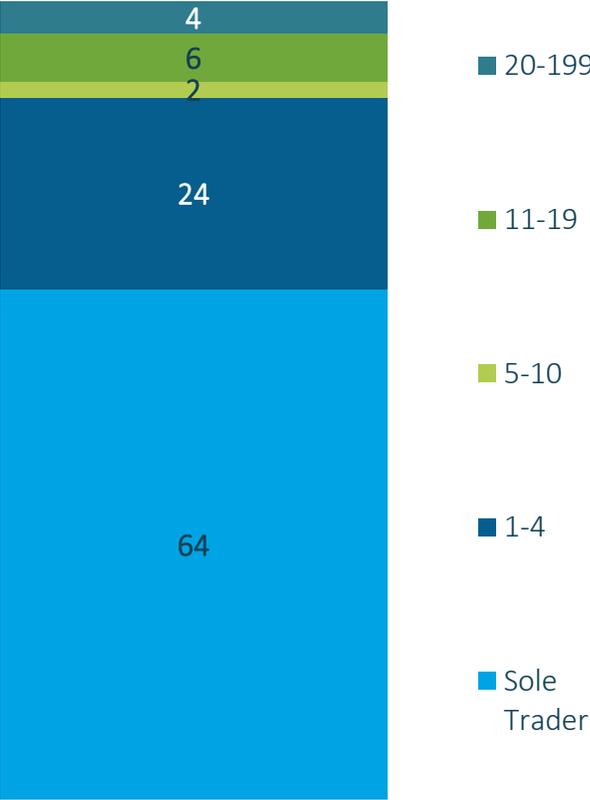
Premises Owner or Rent/Lease



Q49. How many years has your business been operating?
 Q48. What is your position or title within your organisation?
 Q50. Does your business own or rent/lease its business premises?
 Base: All respondents (n=200)

Business profile cont.

Number of Employees



Industry Type	All respondents n=152 %
Health and community services	14
Finance and insurance	9
Property and business services	9
Cultural and recreational services	5
Personal services	5
Education	5
Retail Trade	4
Construction	4
Accommodation, cafés and restaurants	3
Agriculture, Forestry, Fishing and Hunting	1
Manufacturing	1
Wholesale Trade	1
Transport and storage	1
Communication Services	1
Government administration and defense	1
Electricity, Gas and Water Supply	-
Mining	-
Other	36

Q2. How many employees do you have in your business, by employees I mean full time equivalents other than the proprietor?
 Q3. And what industry does your business operate within?
 Base: All respondents (n=200)

Name of electricity distributor | unprompted

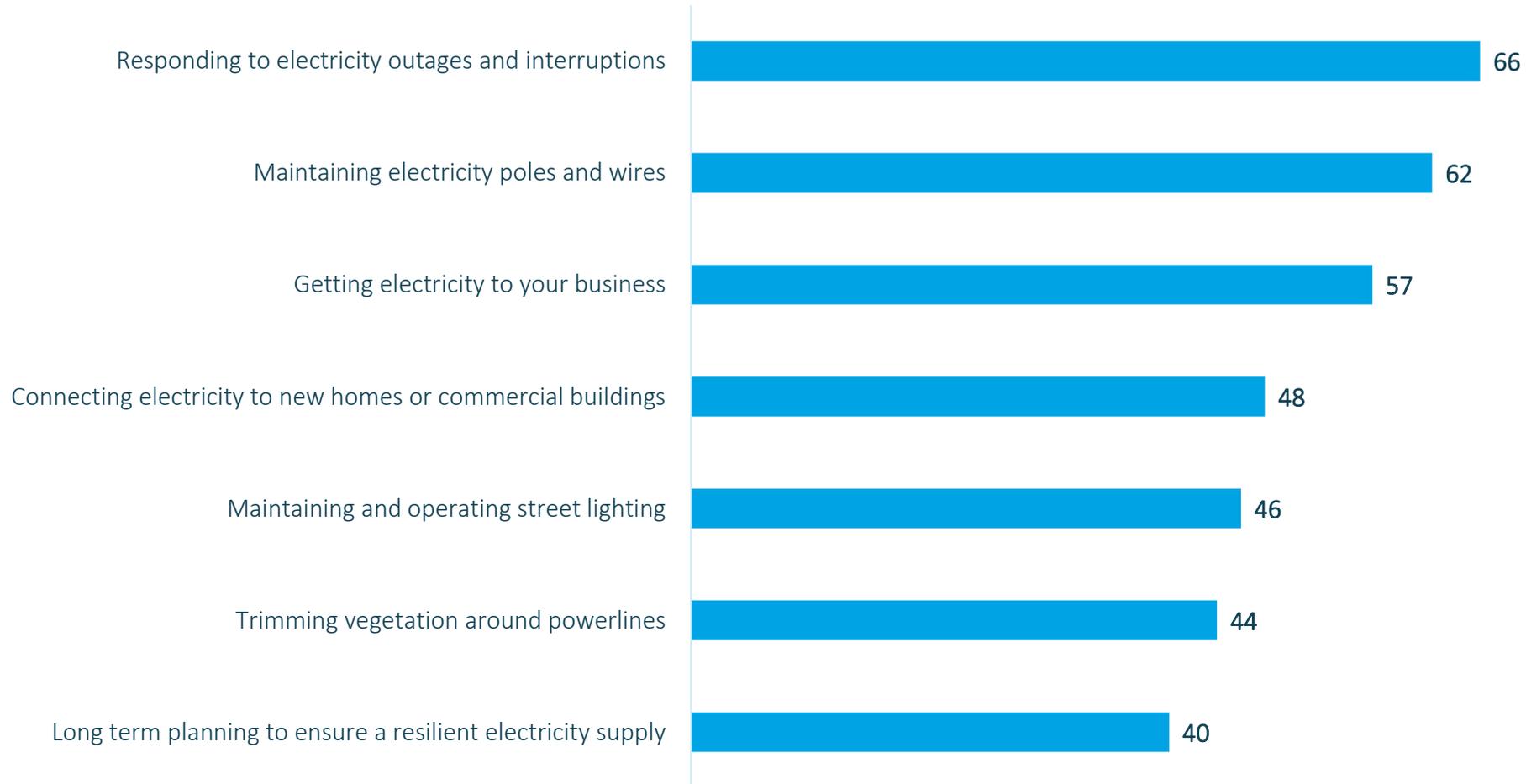
Perceived name of electricity distributor Unprompted	N=200 %
CitiPower	29
Origin	7
AGL	6
Powercor	2
Energy Australia	2
Lumo	1
Ausnet	1
Momentum Energy	0
United Energy	0
Alinta	0
Don't Know	48
Other	4

Just under a third (29%) of business respondents in the CitiPower network area were able to correctly identify their electricity distributor.

Q4. What is the name of your electricity distributor in your business's area? By distributor, we mean the company responsible for the electricity network not your energy retailer who sends you the bill.

Base: All respondents (n=200)

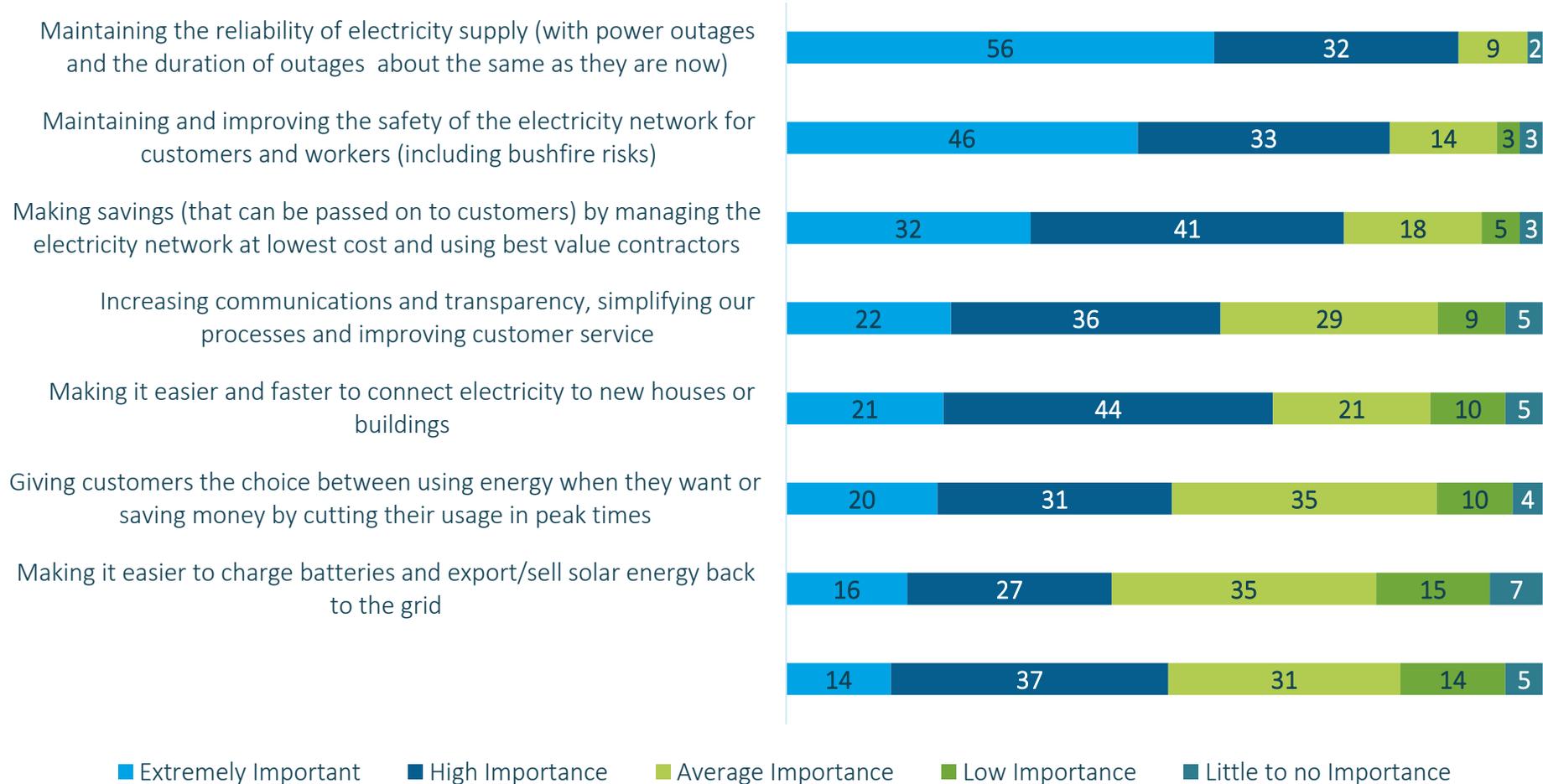
Awareness of roles of distributor | prompted



Awareness of distributor roles was highest for:

- Responding to outages and interruptions;
- Maintaining poles and wires; and
- Getting electricity to your business.

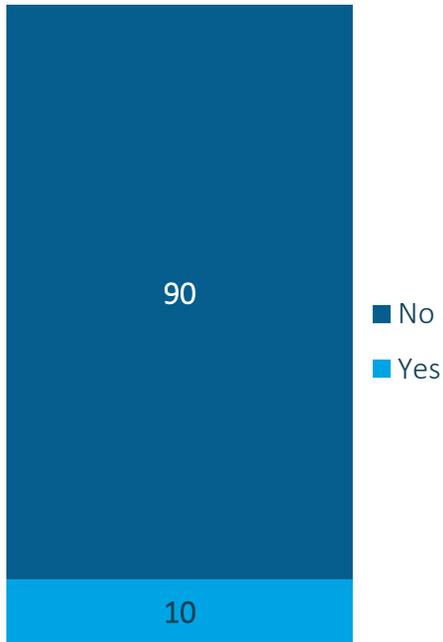
Importance of benefits



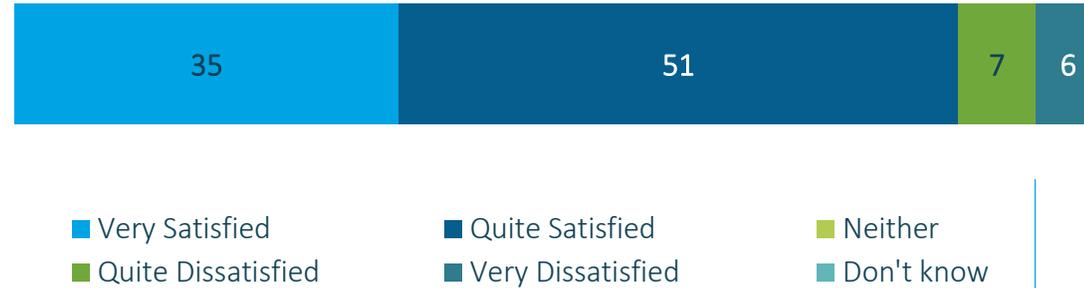
Maintaining reliability of supply was perceived to be of high importance by most business respondents (88%). Also important was maintenance and improvement of the network (79%).

Experience with connecting a new premises

Experienced new connections



Satisfaction with timeframe and process



Suggestions to improve connection process	Respondents who had connected and were not satisfied (n=2*)
Quicker Connection Response	100

- Only 10% of businesses had experienced a new connection, with 86% indicating a satisfactory experience.
- The only suggestion for improvement was to improve the connection response.

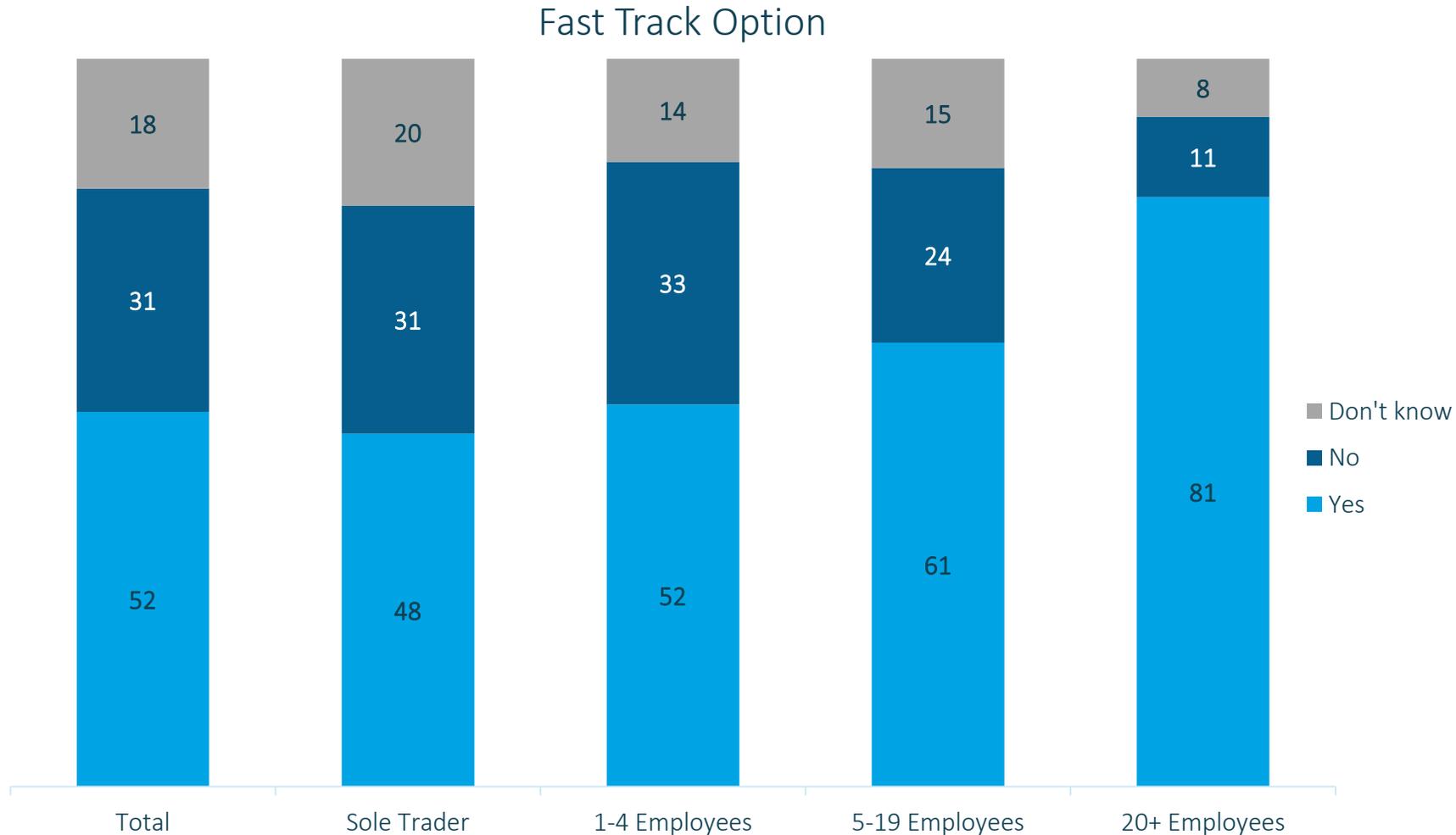
Q7. Have you had experience in connecting a new business premises to the electricity network with [distributor]? Note this is about a new connection, so not moving premises but building a new premises.. Base: All respondents (n=200)

Q8. If yes, how satisfied or dissatisfied were you with the timeframe and process? Base: Respondents who had experience connecting a new business (n=31*)

Q9. What would have made the connection process better? Base: Respondents who had experience connecting a new business and were not satisfied (n=2*)

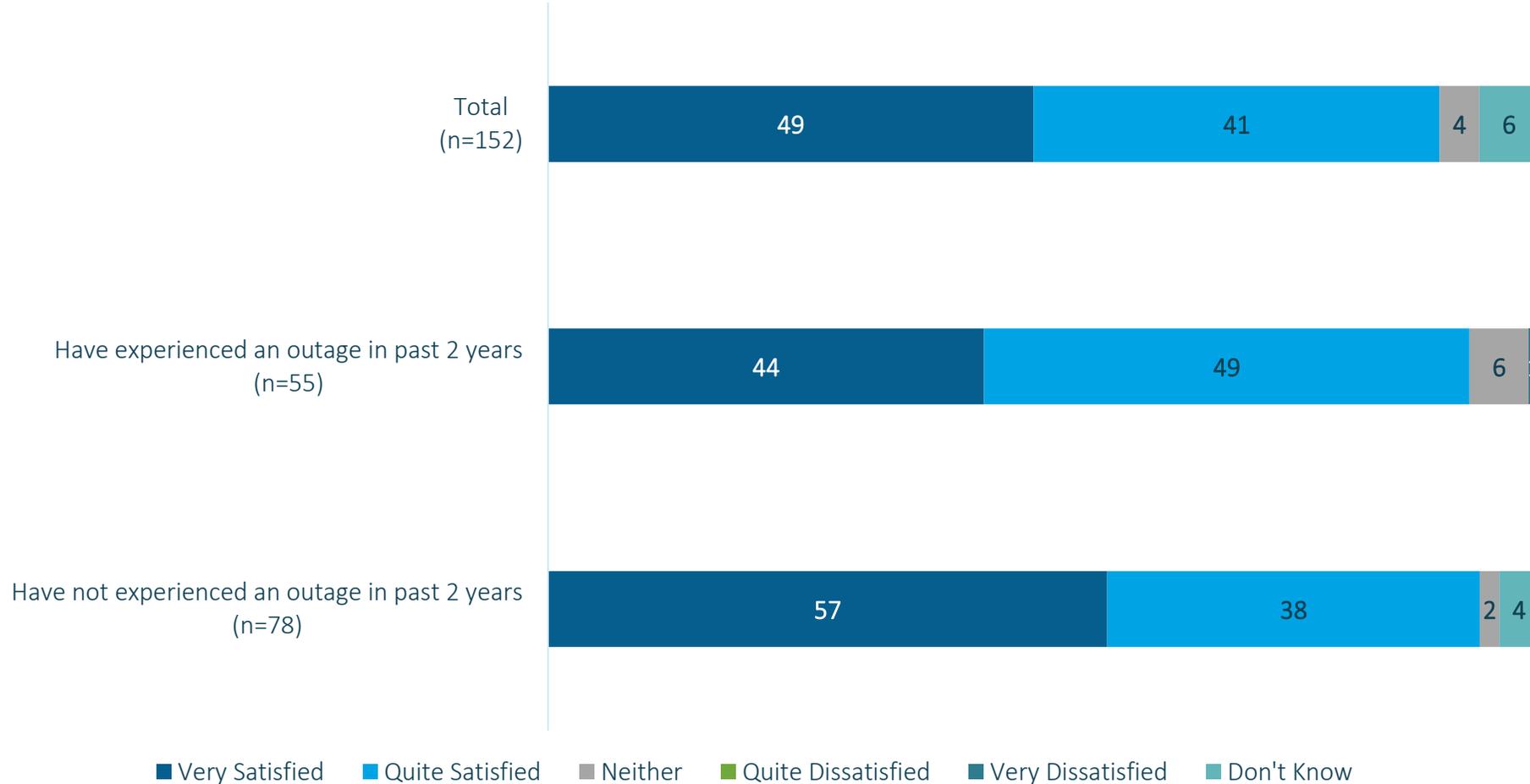
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Agreement with the 'fast track' option



Just over half of business respondents (52%) indicated agreement with the 'fast track user pays' option, with larger businesses' showing greater support.

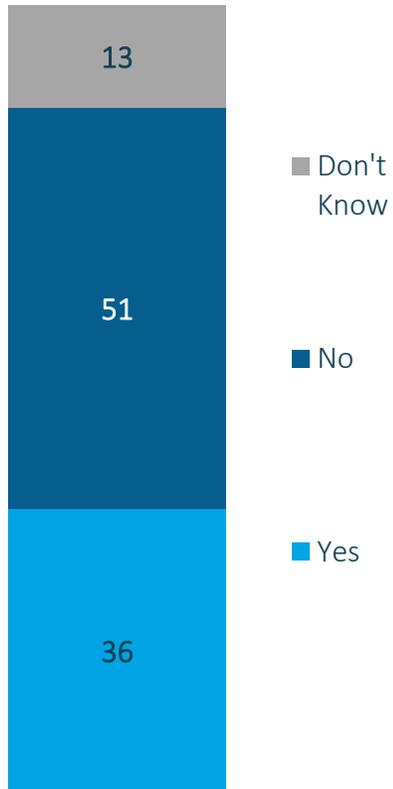
Satisfaction with reliability



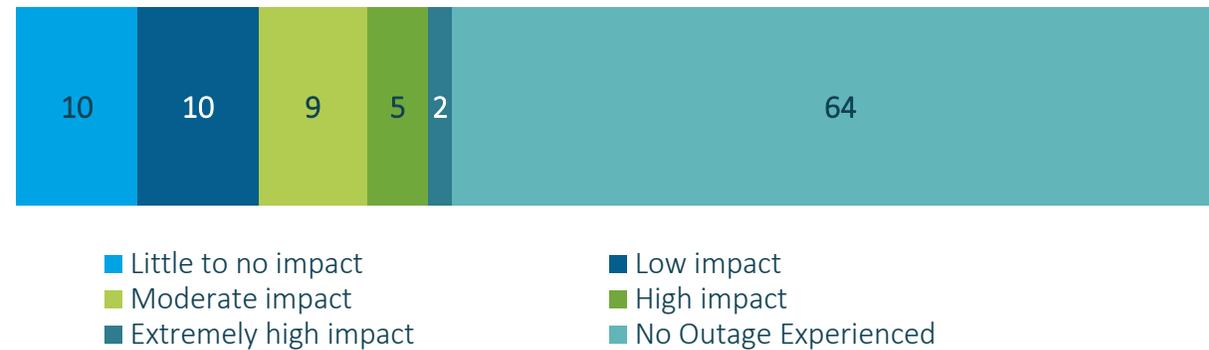
90% of business respondents were satisfied with the current reliability of supply, with this being only slightly stronger amongst those who had not experienced an outage in the last 2 years.

Outage experienced in current business

Experienced an outage
in the last 2 years



Level of impact



Only a third (36%) of businesses had experienced an outage in the last 2 years, with most indicating a lower level of impact.

Q12. Have you experienced an outage in your current business over the past two years?

Q13. What level of impact do electricity outages currently have on your business?

All respondents (n=200)

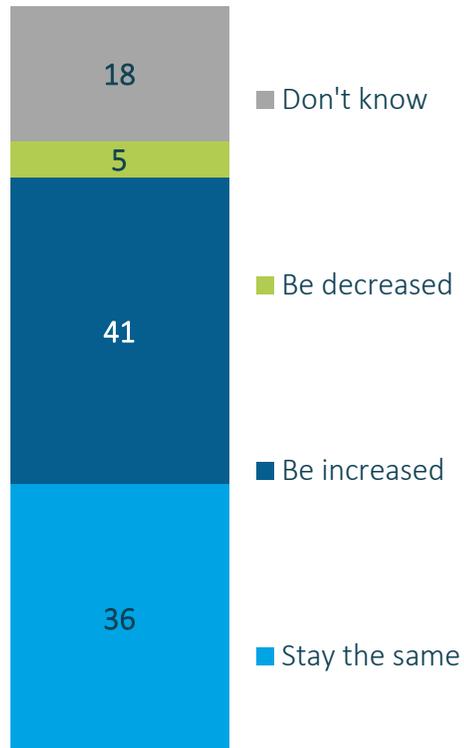
Impact of outages experienced

What were those impacts	Those who experienced a moderate level of impact or more n = 41
We couldn't /can't work/loss of productivity/had/have to shut down	25
Loss of communication NFI	18
No internet/cant find out what's going on	17
No lights/scariness/risk of accidents/no light for customers/security problem	13
No computer/issues with computer	13
We couldn't operate our machines/systems/tools of trade	8
Staff were sent home/loss of wages	8
Loss of revenue	5
We cant serve customers/ open the till/use EFTPOS/credit cards/billing	5
Not being able to charge my mobile phone /laptop	4
I had to rely on my tablet/iPad	4
Inconvenience/everything was /is more difficult	4
Loss of/worried about loss of food in the freezer/fridge	4
No heating/cooling/effect on old people, children	4
Don't Know	12
Other	10

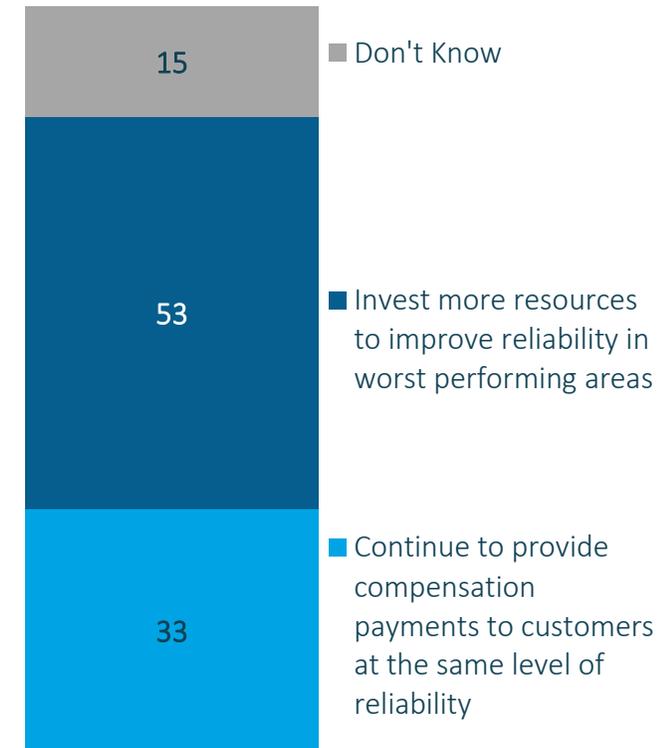
Loss of productivity or having to 'close' during an outage was the biggest inconvenience noted.

Compensation payments

Should the payments change



Should payments continue



- It was felt that compensation payments should stay the same or be increased.
- However, more than half of respondents (53%) indicated that more resources should be invested to improve the network, rather than continue compensation payments.

Q16. When the reliability of the electricity supply does not meet the required level, the distributor must compensate customers. Currently customers receive between \$30-\$360 depending on the frequency and duration of outages. The highest payment of \$360 is paid for more than 24 unplanned and sustained interruptions per year (or 60 hours of interruptions). Do you think these payments should stay at the same level, or should they be increased or decreased?

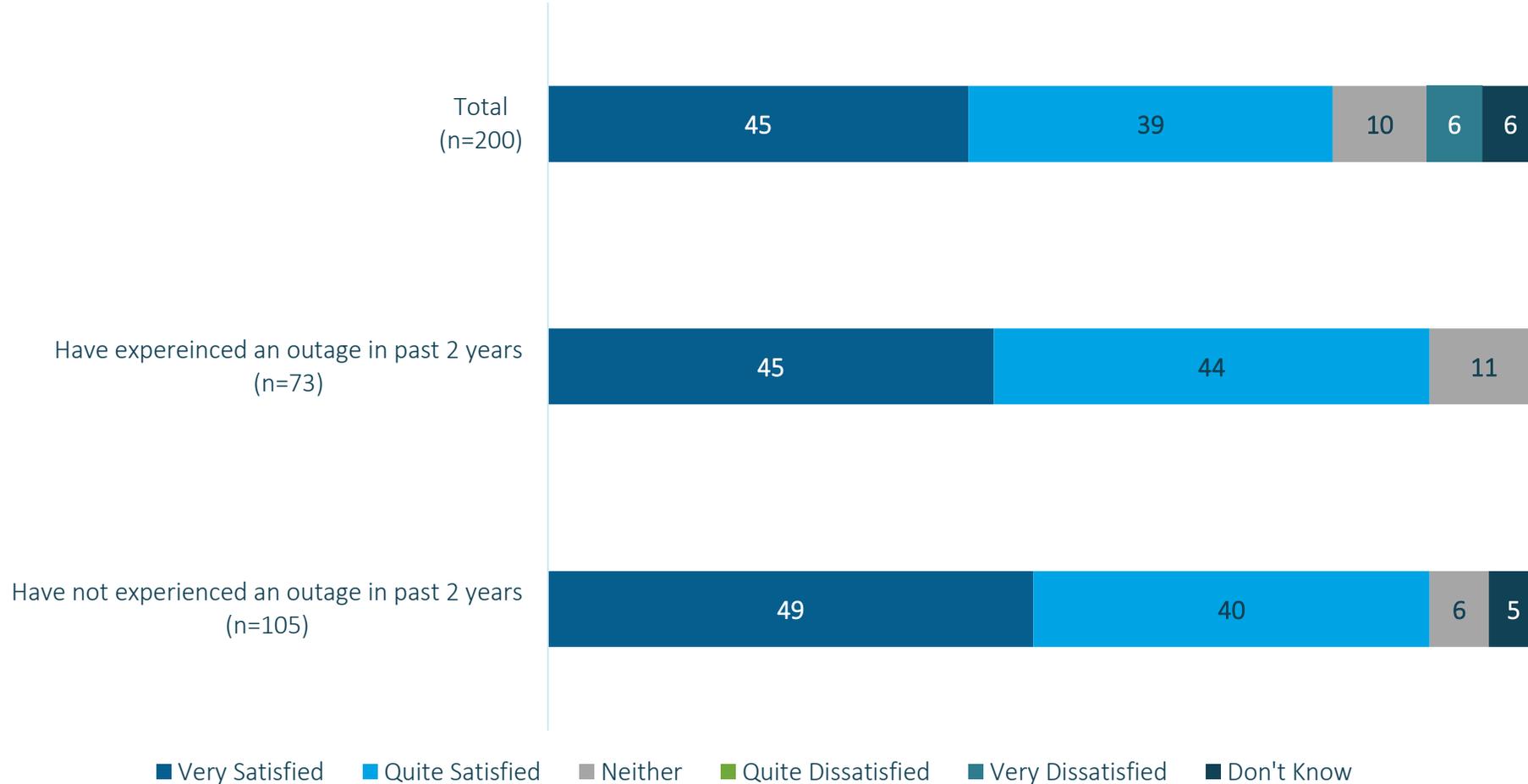
Q17. Should the distributor continue to provide such payments to customers who experience more than a certain number of outages/hours of outages per year or should they invest more to improve reliability for those in the worst performing areas? SR

Base: All respondents (n=200)

QUALITY

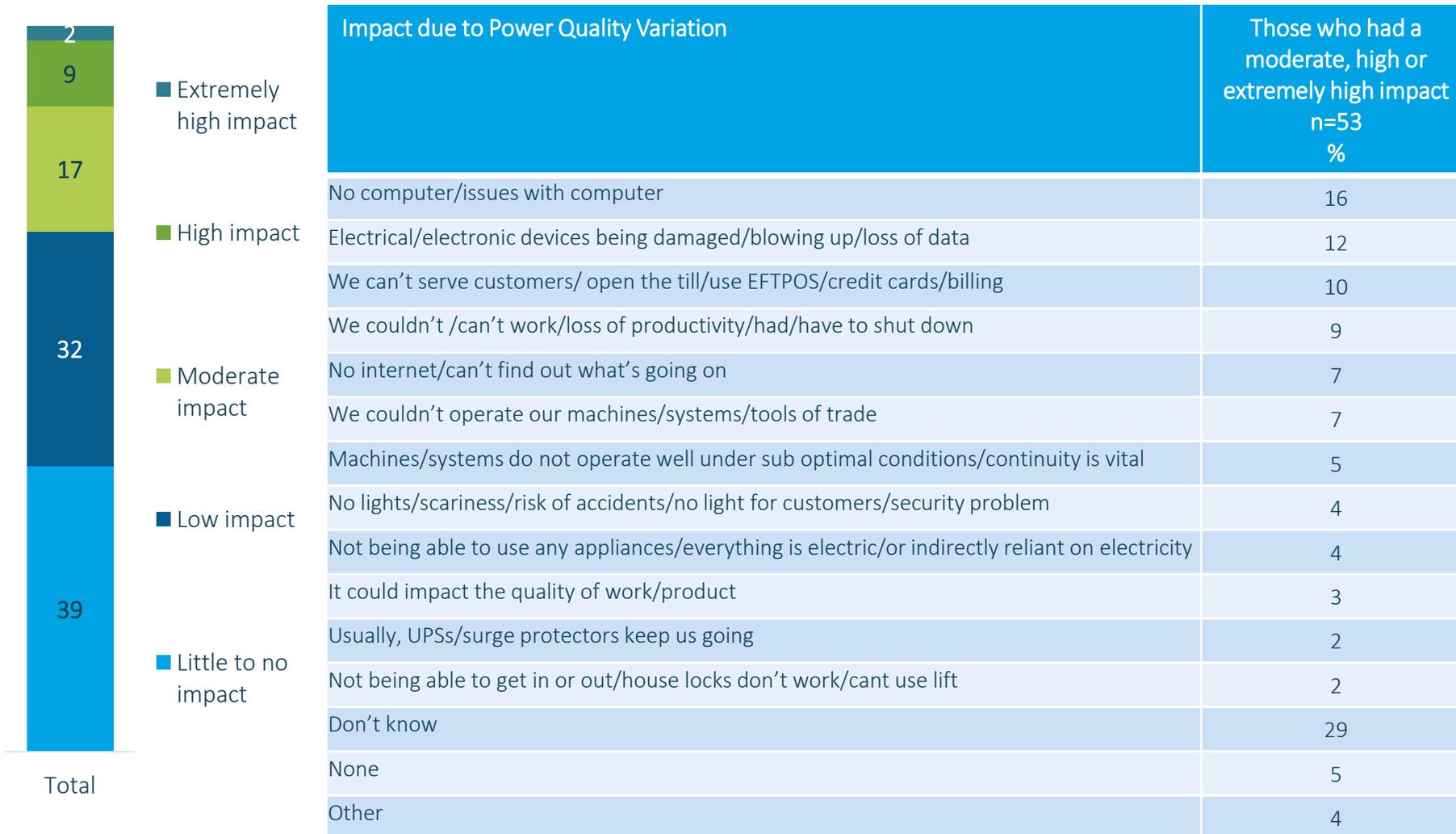


Satisfaction with electricity supply



84% of respondents indicated that they were satisfied with the quality of their electricity supply. There were no real differences in perception amongst those who had or had not experience an outage in the last 2 years.

Power quality variation impact



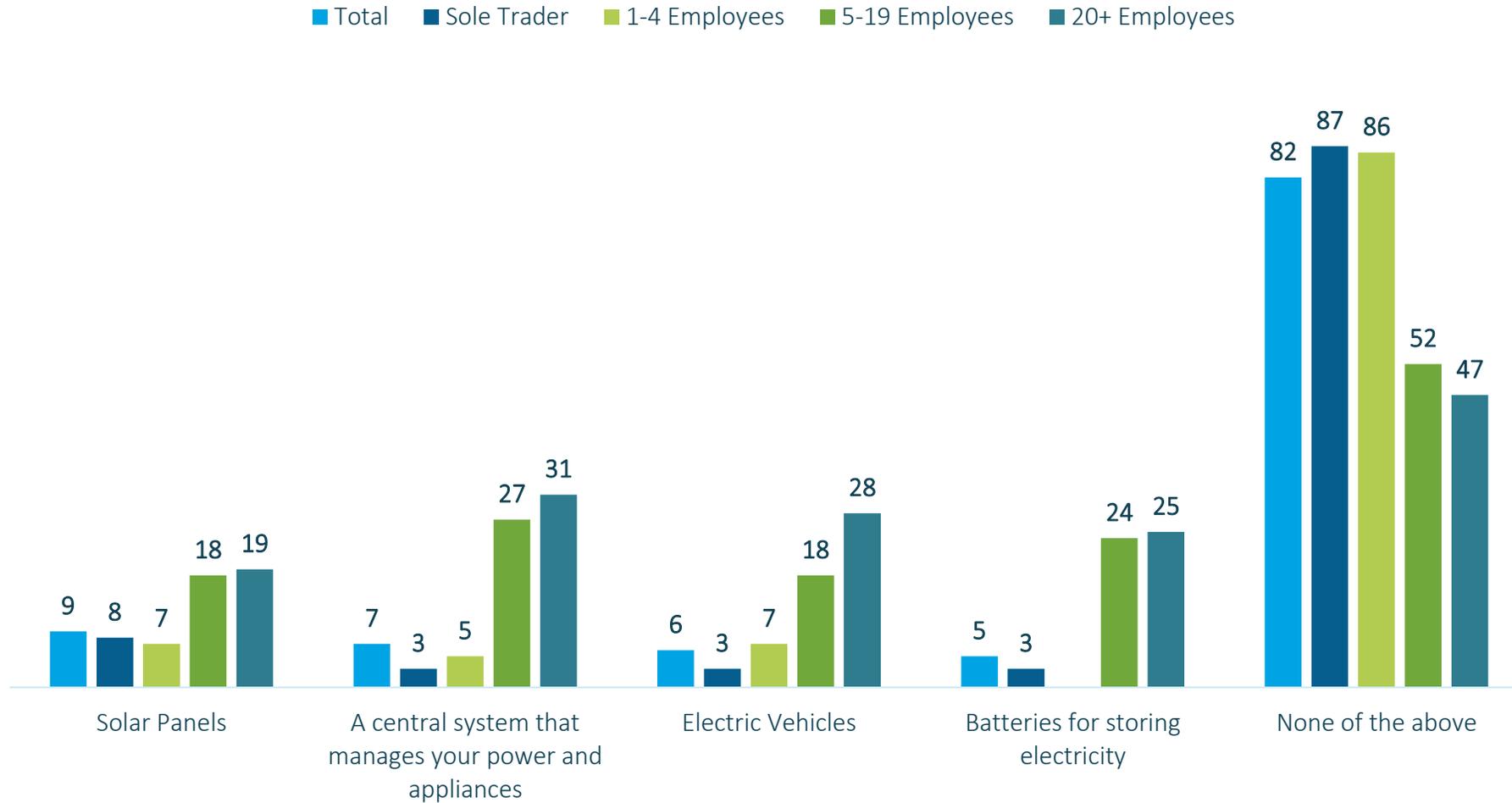
- Over 1 in 4 business respondents indicated at least a moderate level of impact from variations in power quality.
- These impacts included:
 - Computer issues
 - Damage to electronic devices
 - An inability to serve customers or work



Q19. What level of impact do variations in power quality have on your business?
Q20. Please tell us about what those impacts are.

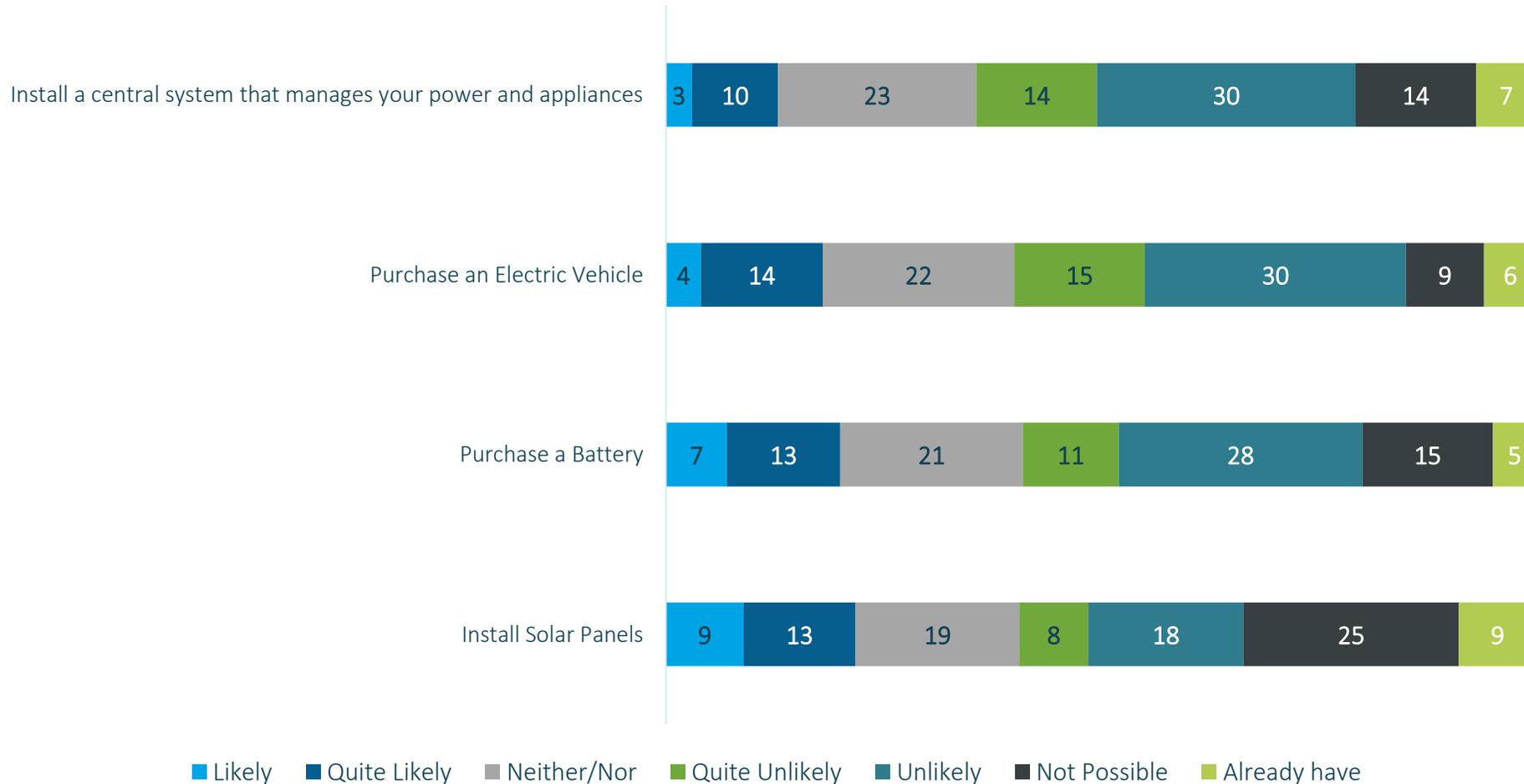
Base: All respondents (n=200)
Base: Respondents that have had a high or extremely high impact (n=53)

Incidence of having any of the following



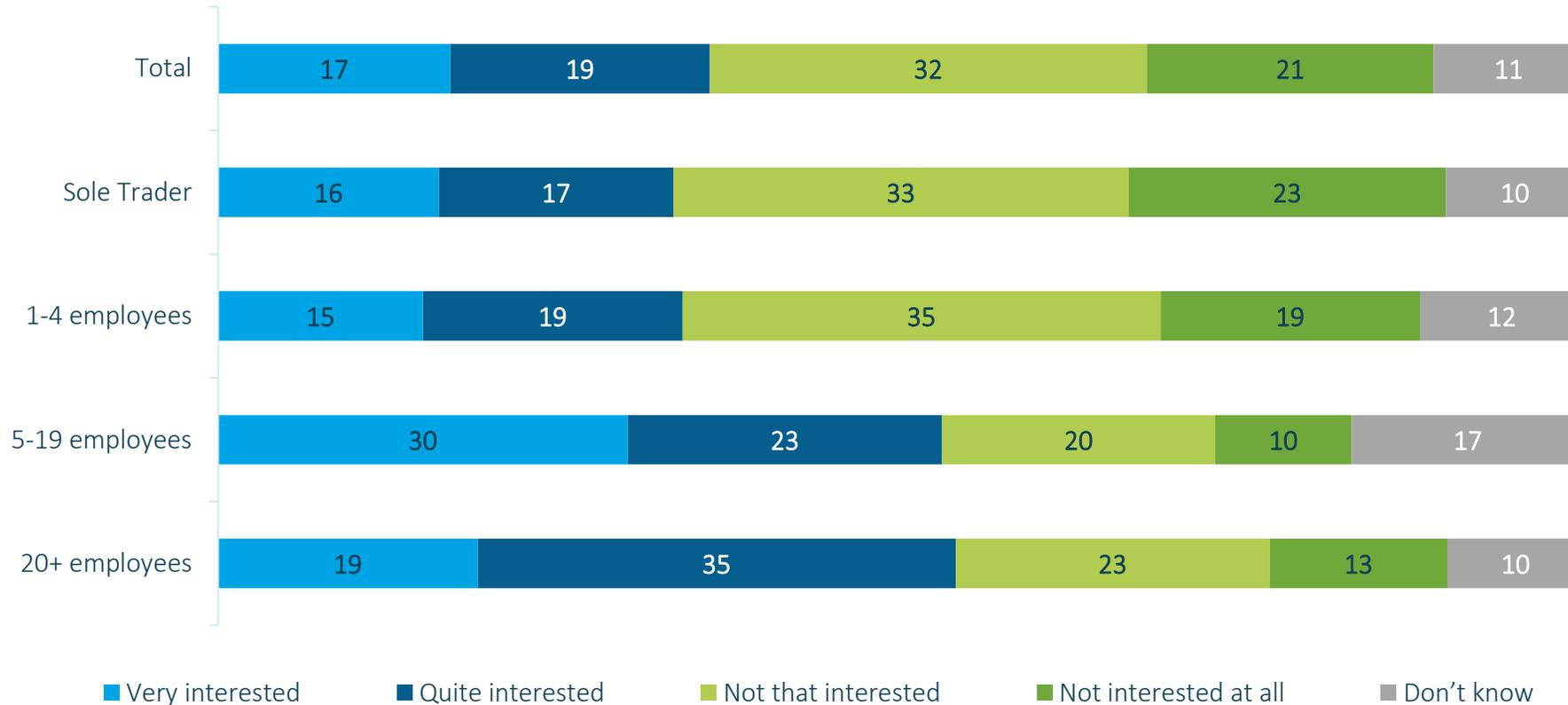
Larger businesses were more likely to have one of the listed technologies.

Likelihood of installing in future



Installing solar panels or purchasing a battery were the most likely technologies to be adopted in the future.

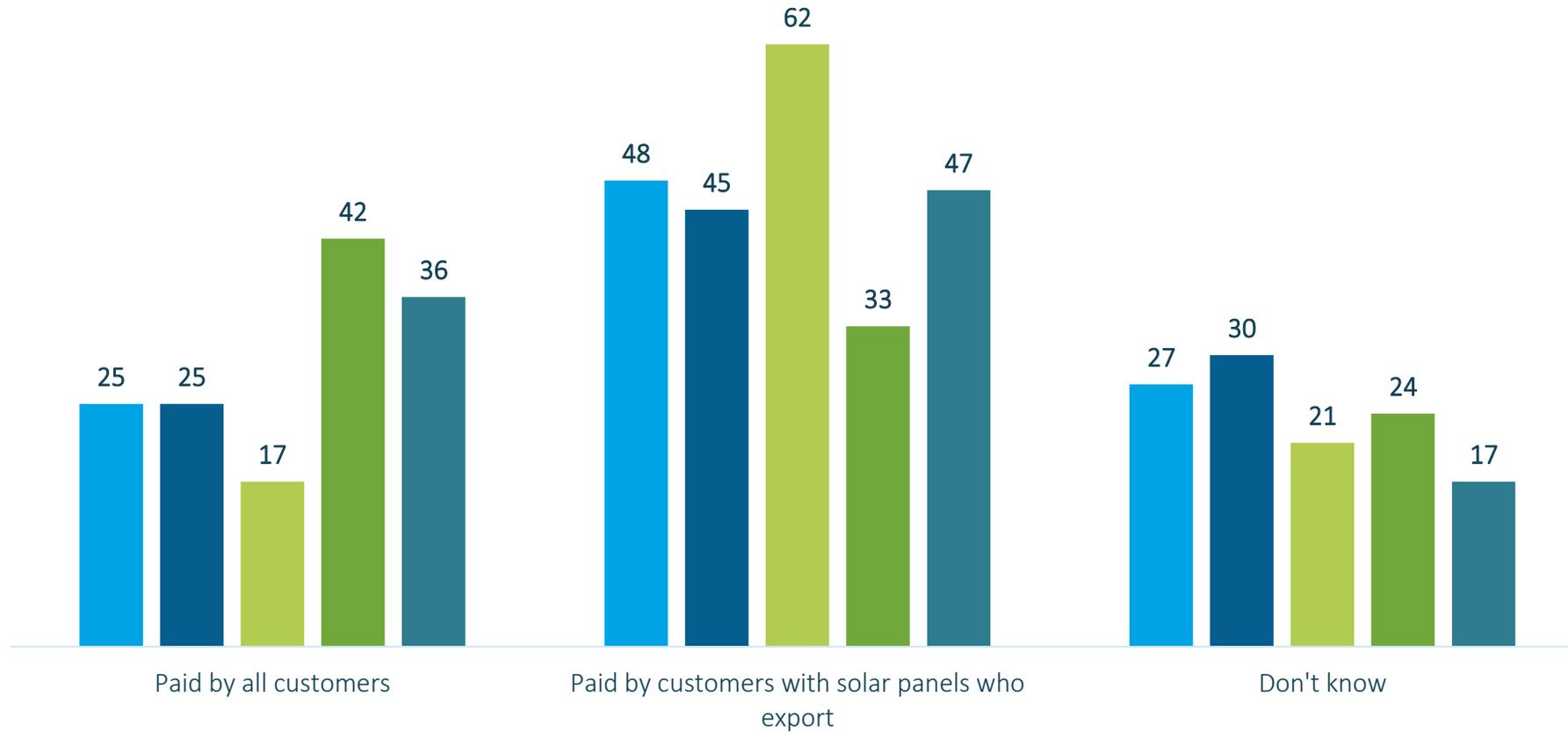
Interest in exporting/selling back to the grid



Over a third (36%) of businesses were interested in exporting power back to the grid. This was most popular amongst larger businesses.

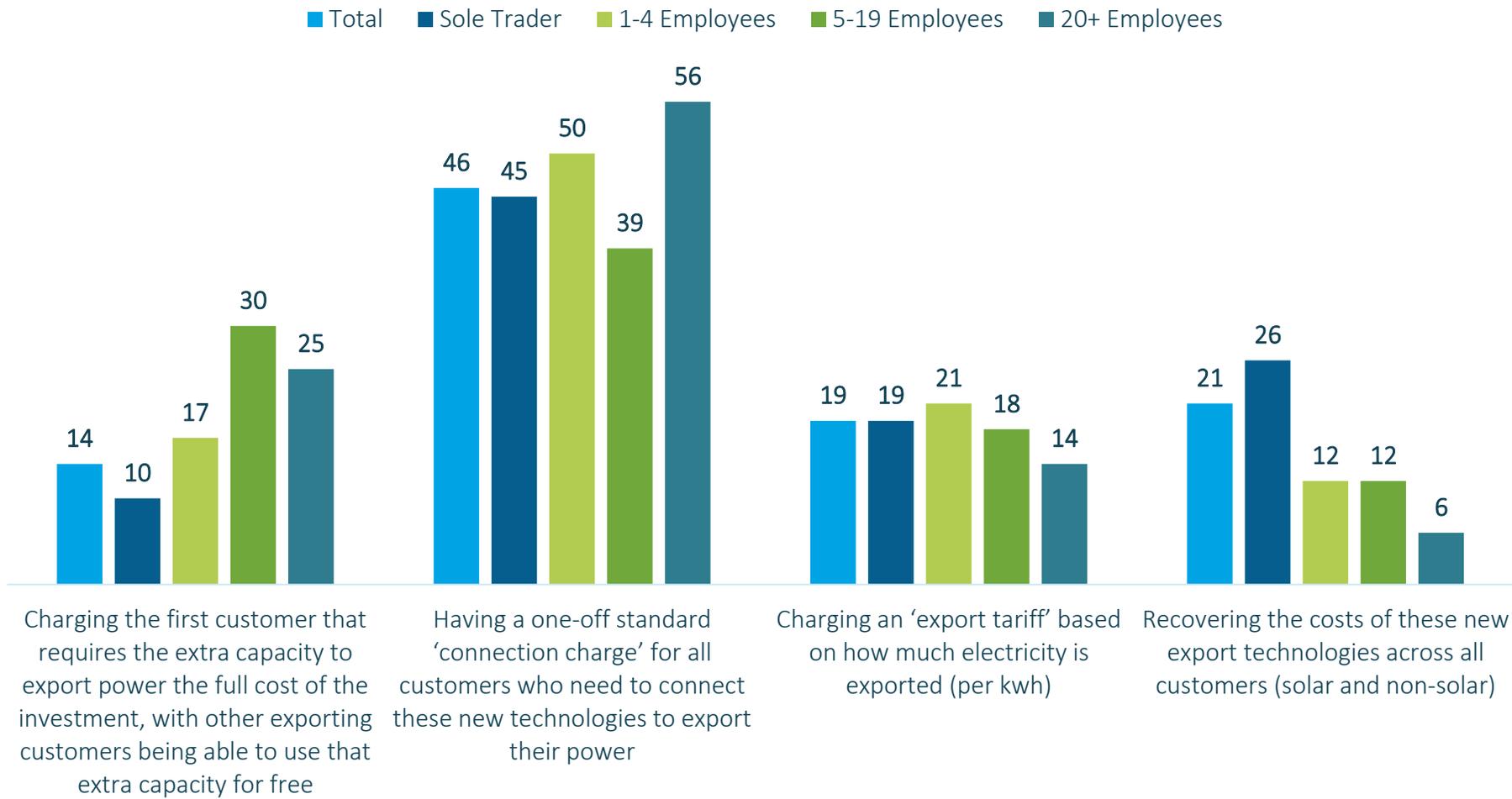
Investment in power quality

■ Total ■ Sole Trader ■ 1-4 Employees ■ 5-19 Employees ■ 20+ Employees



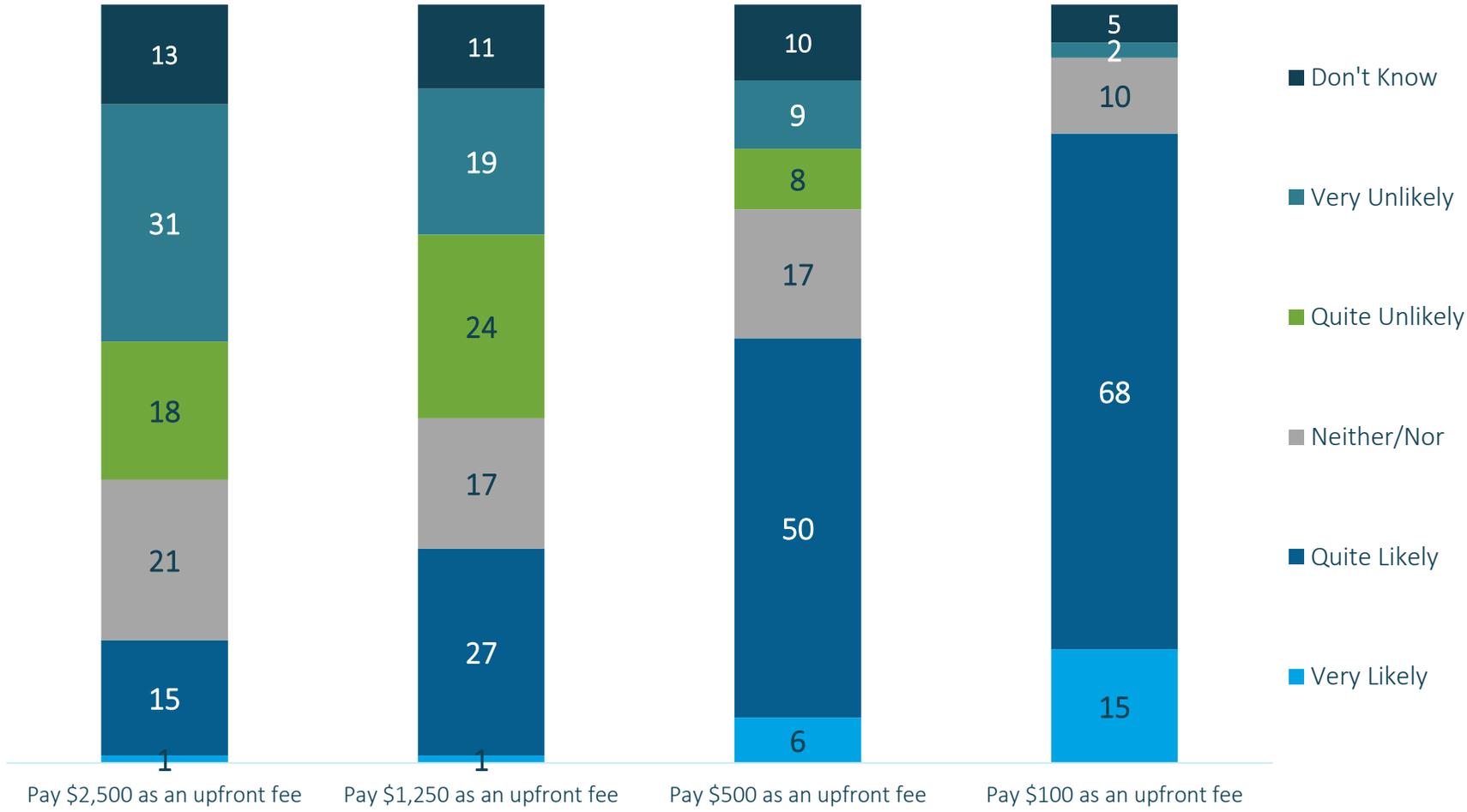
Almost half of business respondents felt that investment to ensure power quality doesn't decline due to exporting should be paid for by those who are exporting.

Funding extra capacity investments



It was preferred that a one off standard fee be charged for those customers that want to connect new technologies to export power.

Likelihood of paying one off fees



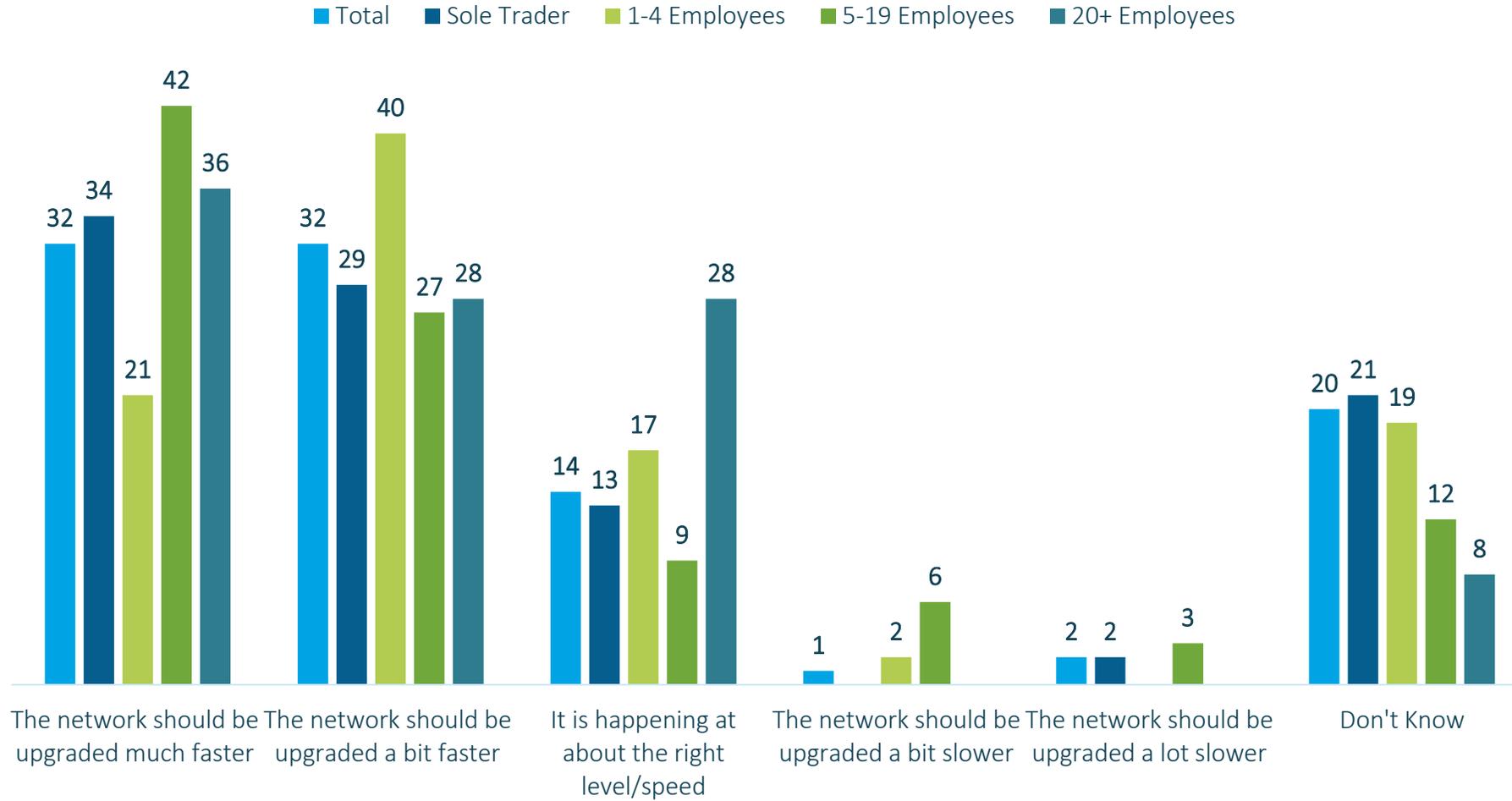
More than half (56%) of business respondents felt that a \$500 upfront fee was adequate to guarantee the ability to export back to the network.

Q27. How likely do you think customers would be to pay \$2,500 as an upfront connection charge for a typical 5kW solar system to guarantee the ability to export power to the network? If they do not say very or quite likely to this then ask same question for \$1,250. If they say do not say very or quite likely to this then ask \$500. If they do not say very or quite likely then ask 'less than \$100'.

Please change this for all different sub questions in this question Base: Respondents who preferred to have a one off standard connection fee (n=94)



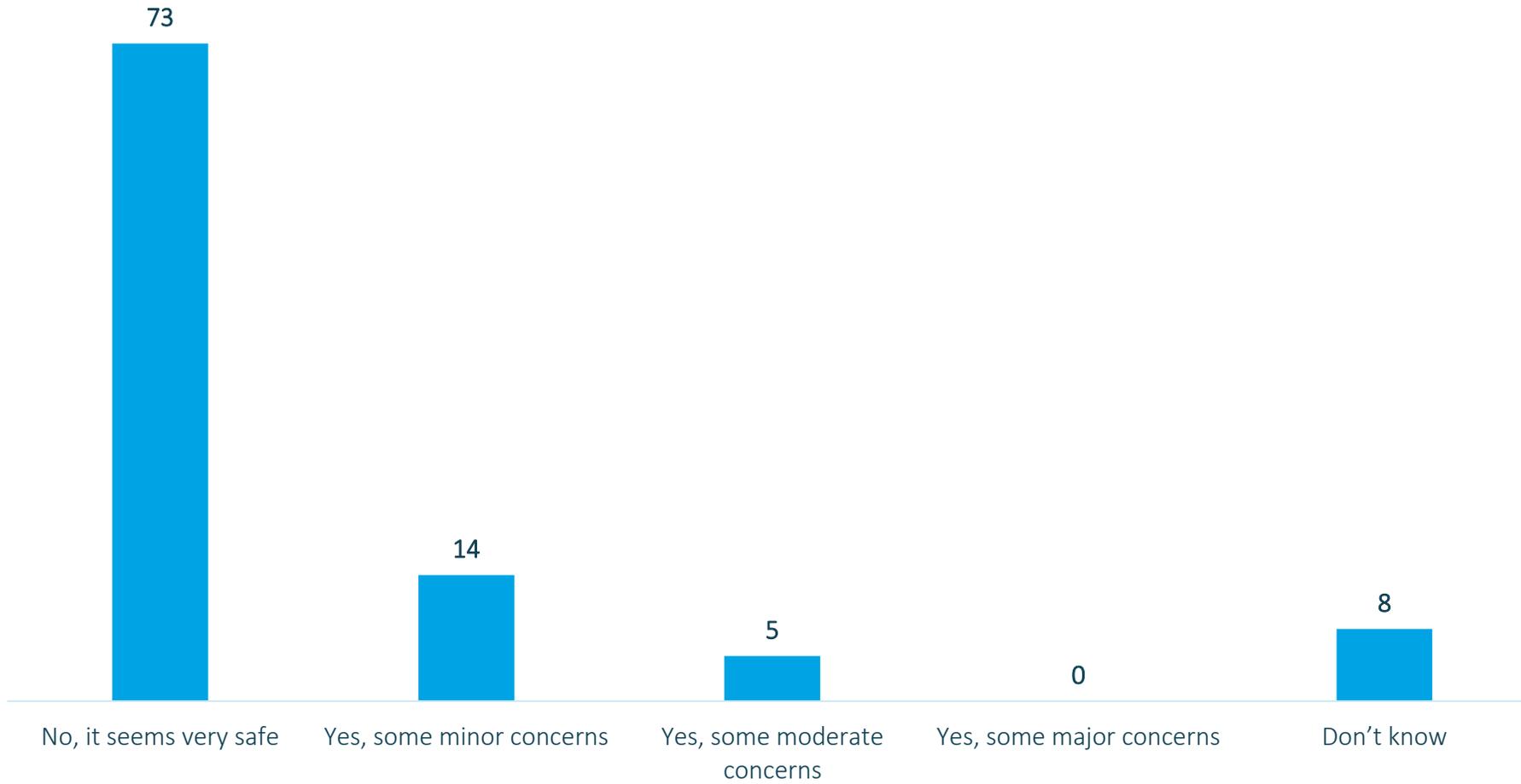
Upgrade timeline



64% of respondents indicated that the upgrade timeline needed to be faster than what it currently was.

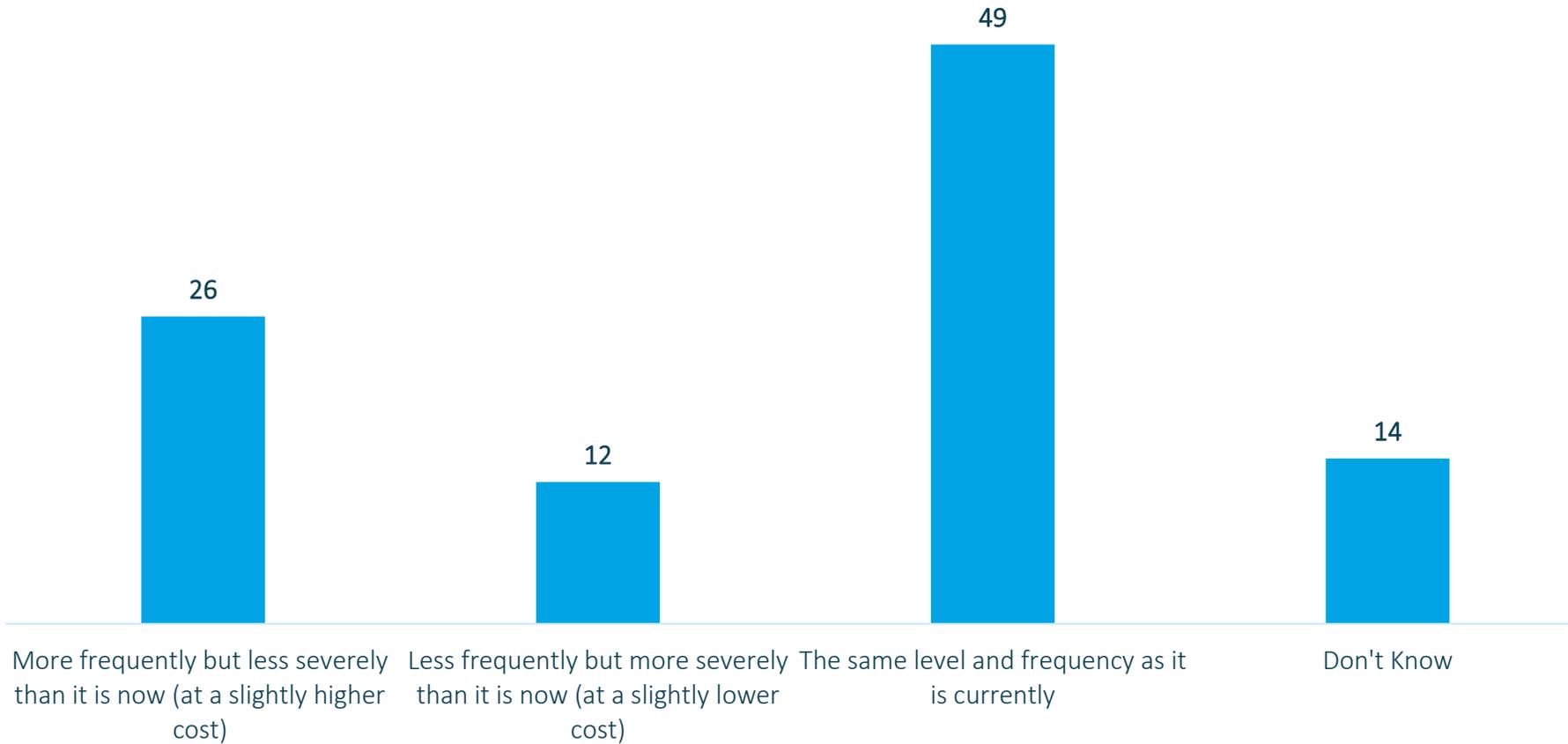
Q28. Do you think that parts of the electricity network should be upgraded more quickly to allow for more renewable energy users and large customers to connect/export solar power to the grid?
 Base: All respondents (n=200)

Concerns about safety



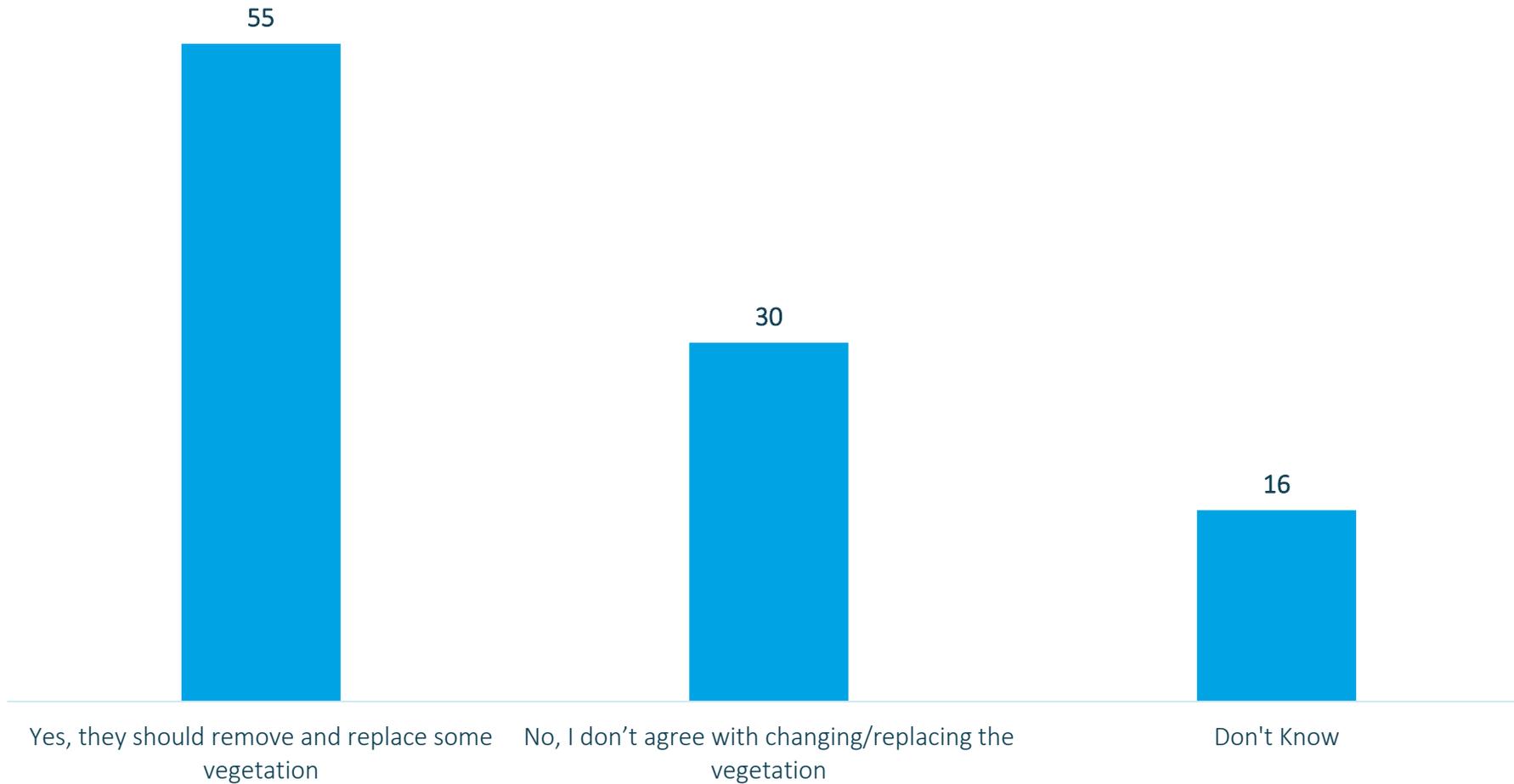
While most businesses felt the network to be safe, there were some minor and moderate concerns.

Vegetation maintenance



Half of business respondents (49%) felt that vegetation trimming was adequate, however a quarter (26%) wanted to see more frequent trimming with less severity.

Replacing vegetation

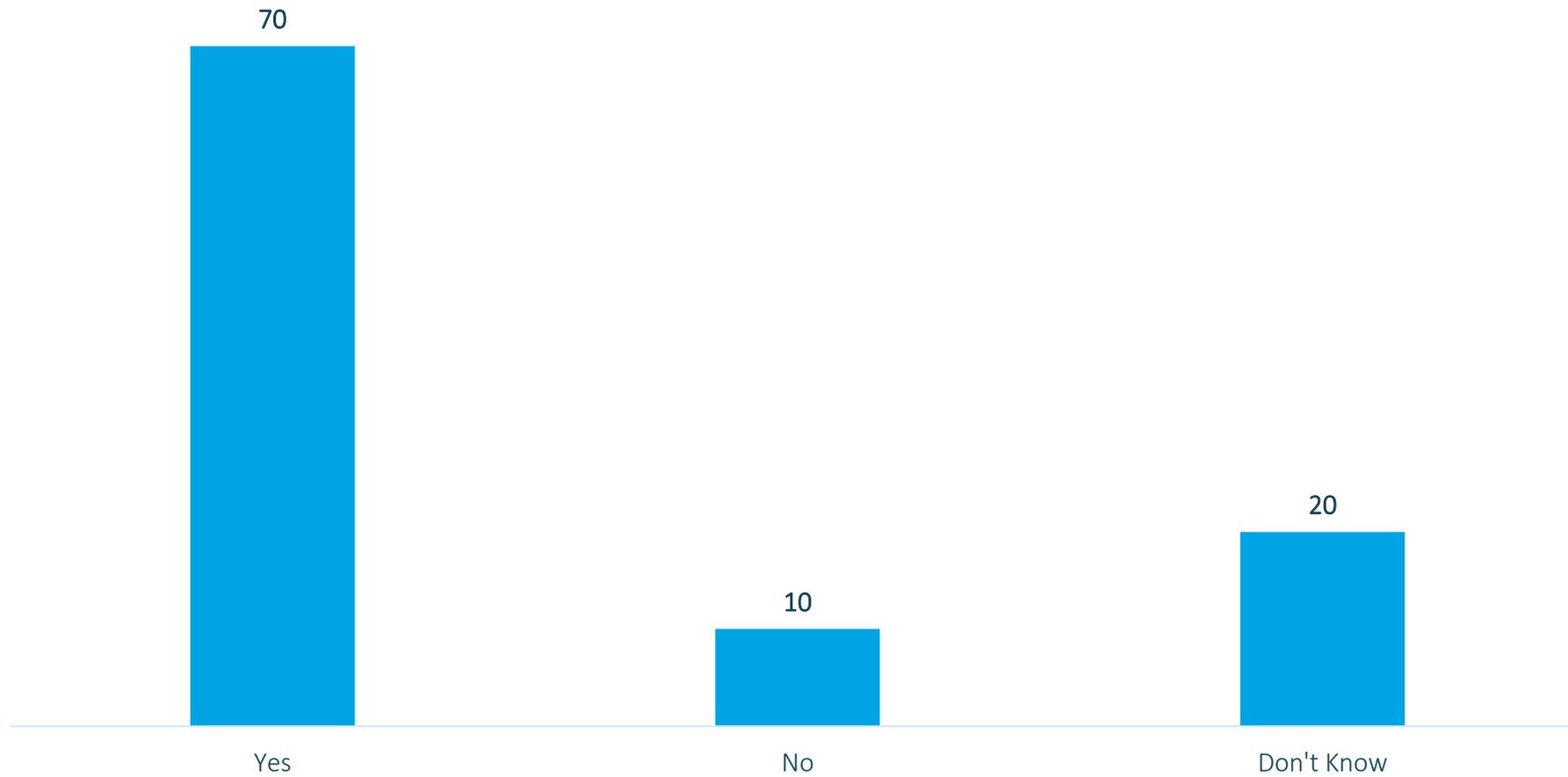


55% of respondents indicated a preference to remove some vegetation and replace it with more appropriate species.

Q31. Costs could be reduced if some vegetation was permanently removed and replaced with more appropriate types of vegetation selectively replanted, such as low-growth trees. Do you think the distributor should consider removing and replacing vegetation instead of regularly trimming the same trees/shrubs?

Base: All respondents (n=200)

Underground electricity assets

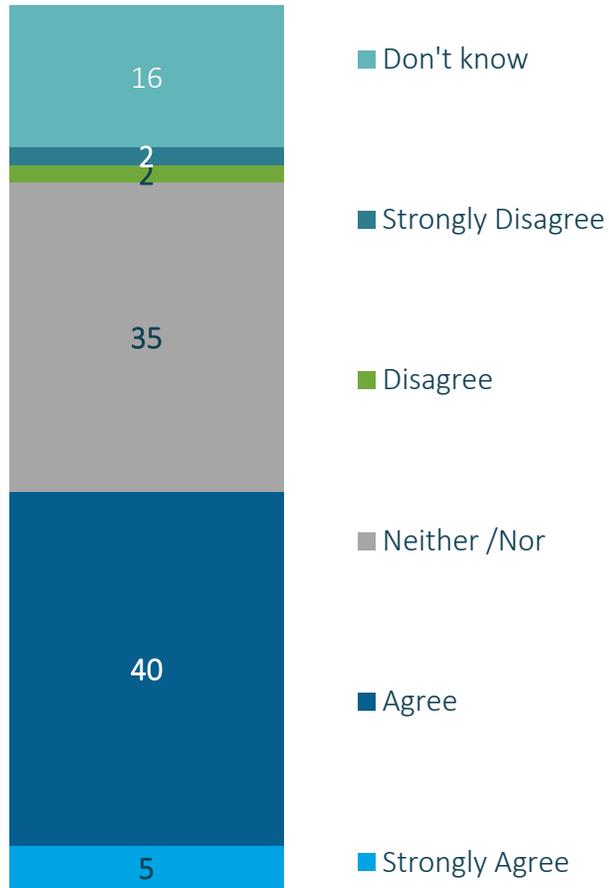


Even though it would cost more to the consumer, 70% of business respondents felt that the distributor should invest more into undergrounding.

Q32. Putting electricity assets underground eliminates safety risks, however, it costs significantly more to house wires underground initially. Should (insert distributor) invest in moving poles and wires underground that are in road accident black spots, albeit at a slightly higher cost to consumers?

Base: All respondents (n=200)

Management of safety



Suggestions to improve safety	Respondents who disagreed that there was enough being done to manage safety n=9* %
Put powerlines underground	25
Spend money on upgrades rather than pay rises, profits etc.	19
Cut back vegetation around power lines / reduce growth	15
Don't Know	32
Other	9

- While 45% felt that enough was being done to manage safety across the network, over half were unsure.
- Some suggestions for improving safety included:
 - undergrounding
 - maintenance & upgrades
 - better vegetation management

Q35. Do you agree or disagree that there is enough being done to manage safety across the electricity network?
 Q36. What should [insert distributor] be doing with regards to safety?
 Base: Respondents who disagreed that there was enough being done to manage safety (n=9*)

Base: All respondents (n=200)

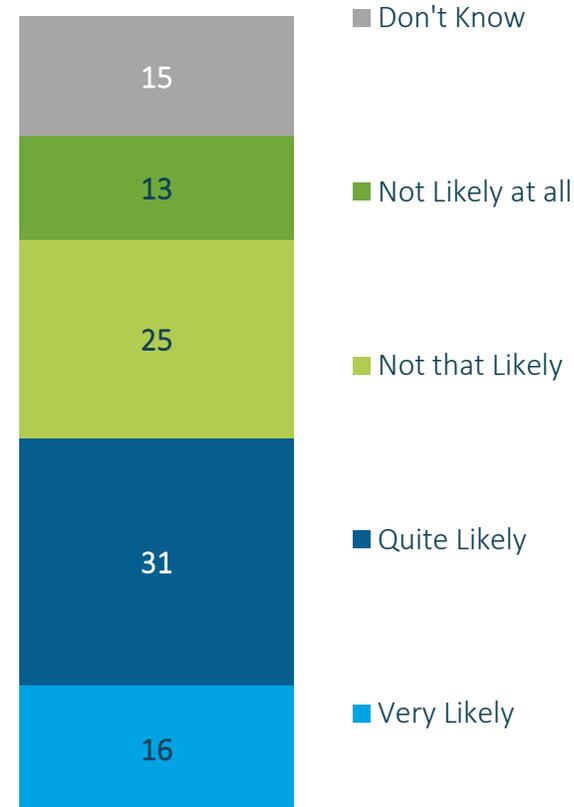
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Real time access to data

Level of Interest



Likelihood to Use



Less than half of respondents (46%) indicated interest in real time data access, with 47% indicating they were likely to use data to monitor usage and receive rebates.

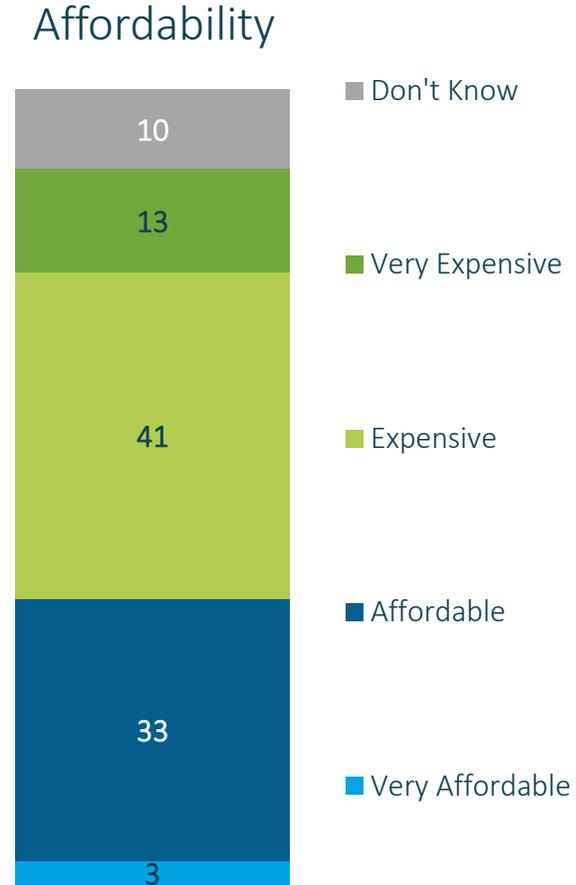
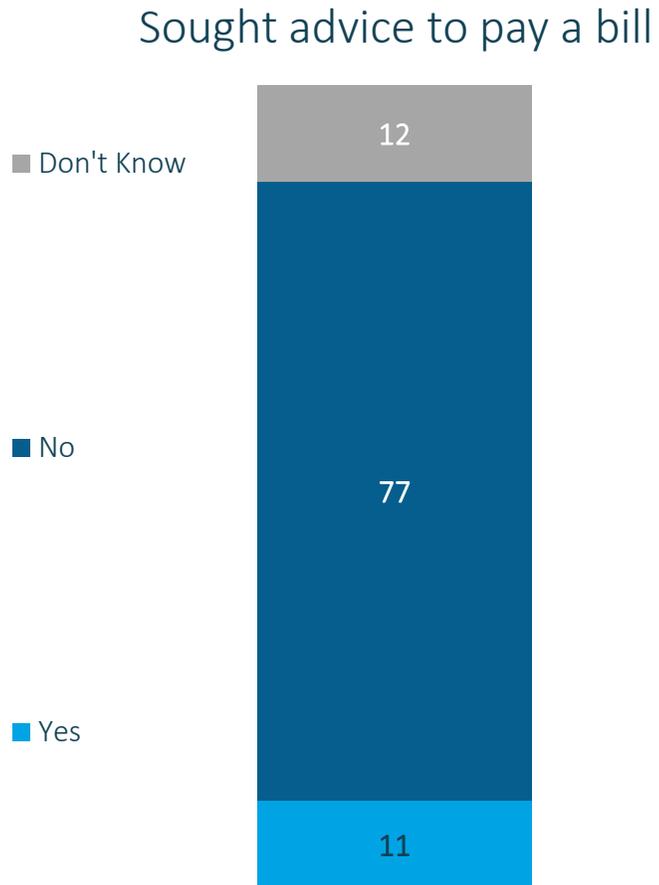
Perceived benefits of real time access

Benefits of real time access	N=200 %
The ability to manage/adjust usage/consumption	15
No unexpected bills/know your costs/track spending/budgeting/costings	13
The ability to monitor/monitor accurately your usage	8
Being able to see the best time for heavy usage activities/to decrease usage in peak	6
Better energy usage efficiency/planning	6
Minimal/very little, if any	6
Save money/lower our bill/control costs	6
Looking at it in real time/immediacy	5
Being able to pinpoint what uses the most electricity	5
It gives information/better understanding/ability to make informed choices	4
It may help you to work out the best ways /where to cut use if needed/see unnecessary usage	3
Lower energy consumption/not wasting power	2
Knowing when /that you need to cut down usage/if you have overdone it	2
It would be interesting to watch	2
Being able to check for problems/unexplained spikes	1
Seeing the immediate impact of an action e.g. turning on a/c/makes you more aware	1
Easy access/convenience	0
None	26
Other	3

Some of the perceived benefits of real time data access included:

- Managing & adjusting consumption;
- Improved budgeting; and,
- Identifying the best times for heavy usage.

Affordability



1 in 10 business respondents indicated they had sought advice about bill payment or deferral, with more than half (54%) indicating electricity bills were expensive.

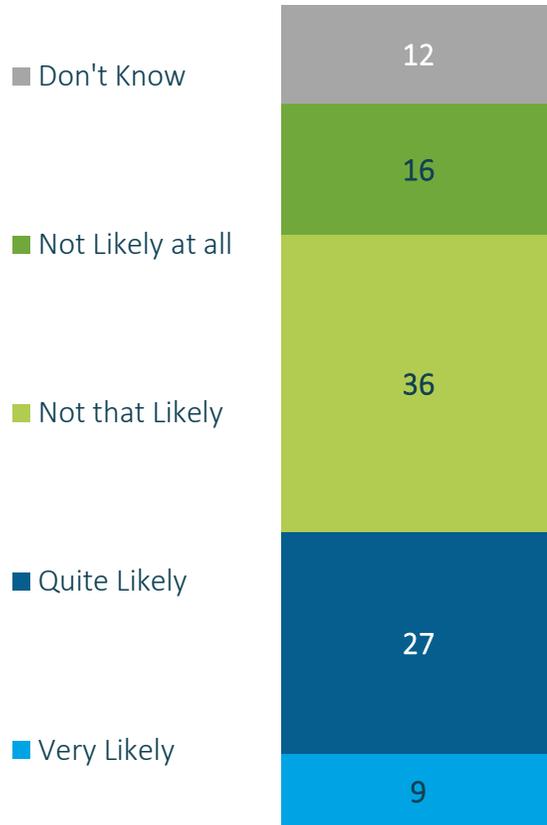
Q40. In the last 12 months, has the energy bill of your business led you to seek advice about methods of payment or deferral of payment?

Q41. How would you rate the affordability of your electricity over the past 12 months?

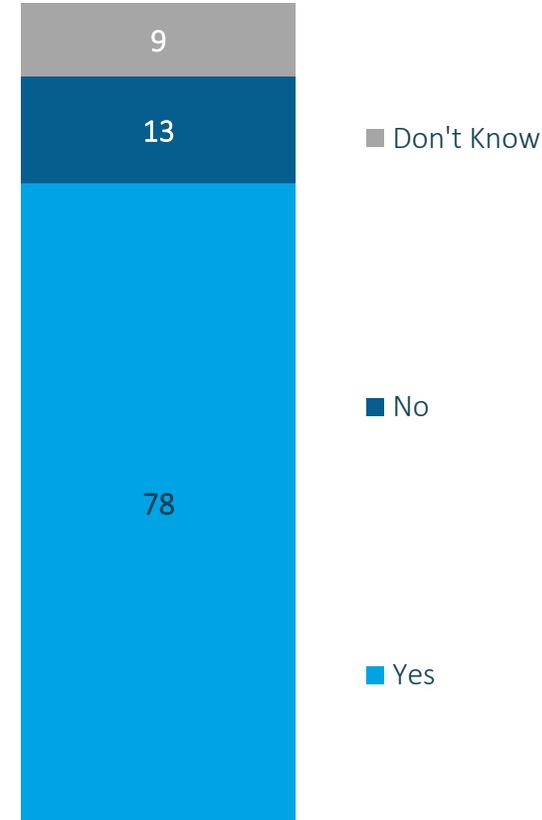
Base: All respondents (n=200)

Reducing energy usage through programs/trials

Likelihood to participate in trials or programs



Ability to respond to peak pricing signal to reduce power usage



Around a third (36%) of respondents indicated their business would be likely to participate in a trial or program to receive a financial benefit, with 78% indicating they would be happy to respond to peak pricing signals and reduce power when alerted.

Q42. How likely is it that your business would participate in trials or programs where you can receive a small financial incentive or reward (approx. value of \$10-15) to reduce your electricity usage at peak times when asked by the distributor? Base: All respondents (n=200)

Q43. Could you respond to a peak pricing signal and reduce the power usage of your business for up to 3 hours with 48 hours prior notice? Base: Respondents who indicated they were likely to participate in a trial or program (n=79)

Expected rebate amount from participating in programs/trials

	Mean amount \$
Sole Trader (n=70)	\$42.75
1-4 Employees (n=26)	\$358.63
5-19 Employees (n=8)	\$257.37
20+ Employees (n=4)	\$63.94
Overall average	\$152.51

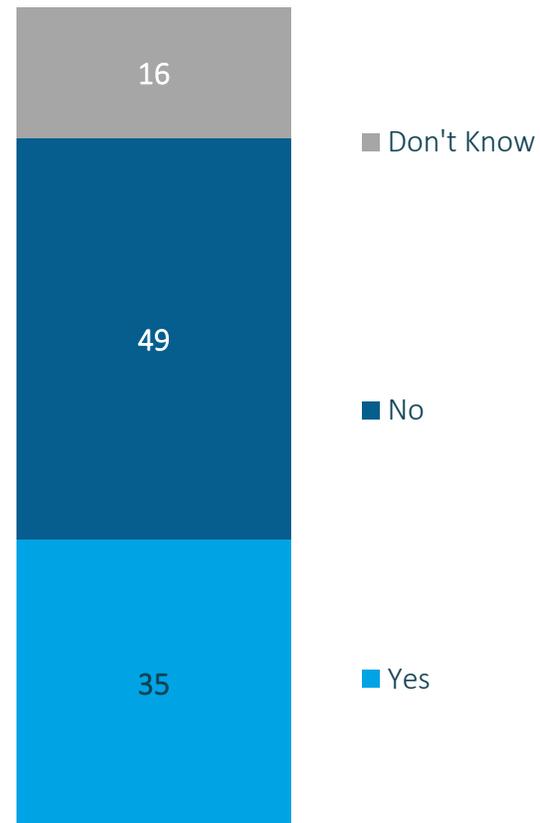
On average, businesses felt that they should receive a rebate of around \$152.51 to participate in the signalling program, with smaller businesses expecting higher rebate amounts (with the exception of sole traders).

Q44. If you are able to occasionally respond to these signals to achieve a rebate, what level of rebate (dollar value) would you expect if you reduced your power use for each 3 hour event?

Base: Respondents who indicated they were likely to participate in a trial or program (n=142)

Allowing remote access

Allowing distributor remote access
to adjust your energy use.



A third of businesses (35%) indicated they would be happy for their distributor to remotely access and adjust energy appliances for a small incentive.

Q45. Would you be interested in receiving a small incentive (approx. value of \$10-15) to allow the distributor to adjust your energy use remotely for appliances like air conditioners if you didn't notice a large difference in heating/cooling?

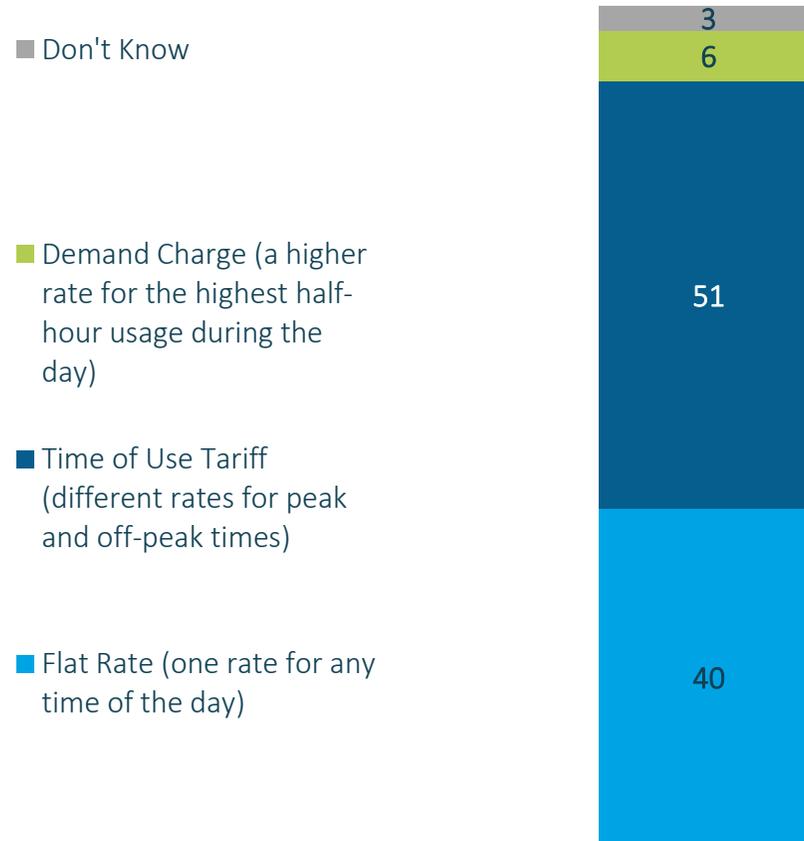
Base: All respondents (n=200)

Tariffs

Current pricing structure



What type of tariff do you think you should be on



While 31% were unsure what pricing structure they were currently on, many felt they should either be on the time of use tariff or flat rate structure.

Q46. What is the pricing structure of your current electricity bill?

Q47. Taking into account your pattern of electricity use and your energy sources (e.g. whether most of your usage is only at certain times during the day or whether you have solar or batteries), what type of tariff do you think would best suit your needs?

Base: All respondents (n=200)

