

# Business Survey Phase 2 Results

Prepared for: CitiPower  
November 2017



# CitiPower Business Survey Results

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# Approach

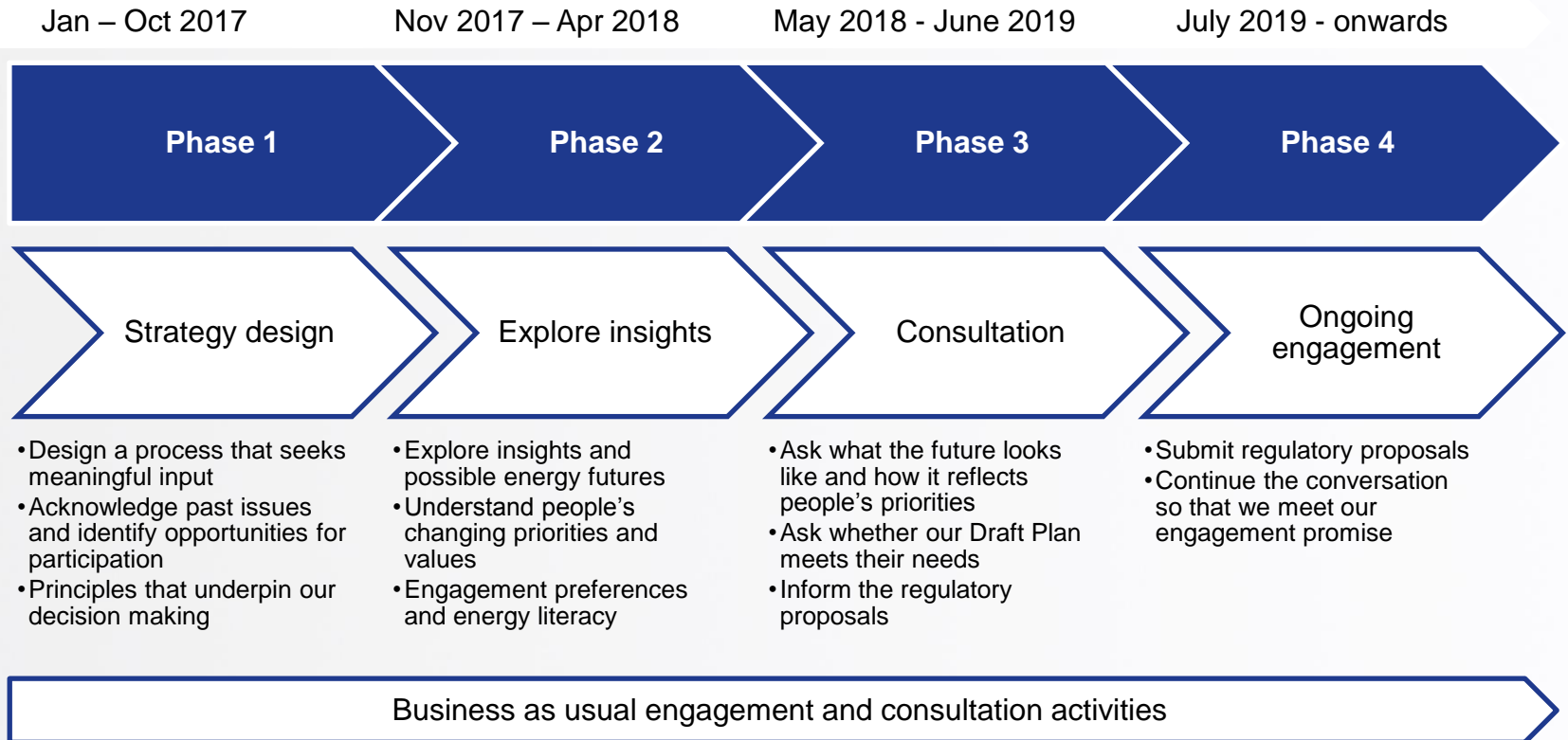
# Background and context

- 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 the priorities and concerns of its customers.
- Woolcott Research and Engagement has been commissioned to conduct customer and stakeholder engagement to input into the preparation of the regulatory proposal.

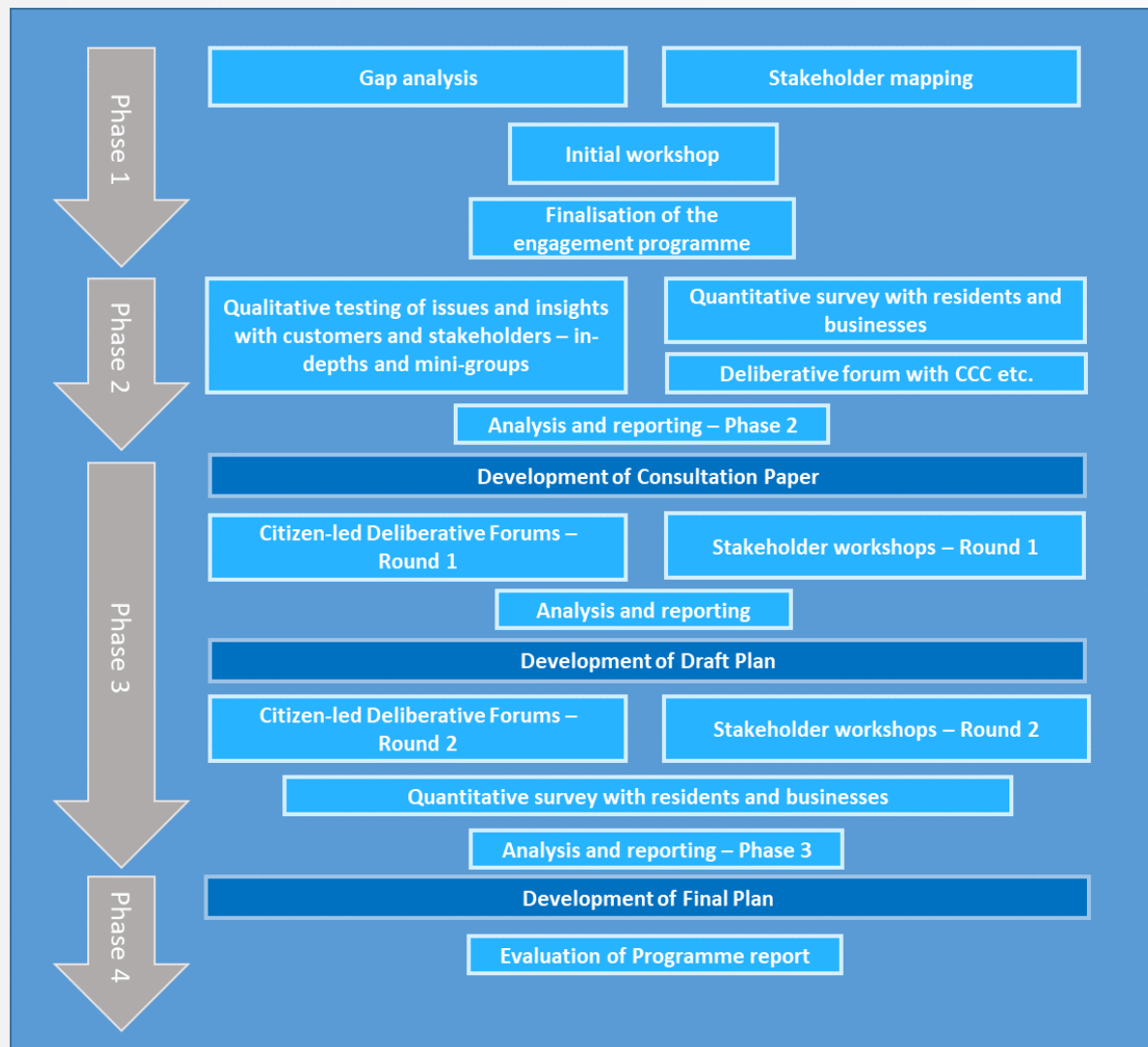


# Engagement program

We are currently in phase 2 of the program



# Research methodology



# Key Findings

# Key findings

## Awareness and Values

- Awareness of CitiPower and its role is moderate amongst business customers.
- Responding to outages and interruptions was perceived to be a main role of distributors (83%), as well as infrastructure maintenance (77%).
- In both an unprompted and prompted sense, reliability of the network emerged as the most valued role of a distributor. Current satisfaction level with CitiPower's reliability was good, with 62% of SME's giving a score of 9-10 for this attribute.
  - Less than 1 in 10 businesses accepted a trade off for a lower level of reliability in order to see a reduction in their energy bill (9%).

## Pricing

- The majority of businesses paid under \$250/month, with nearly half of respondents (52%) indicating they would reduce their energy consumption during peak times for a \$10 rebate.
- There was only a slight preference for pricing to remain the same throughout the day (45%) as opposed to varying (42%).
- Two-thirds of businesses felt it fair that prices should remain the same across urban and rural areas, and there was a strong agreement that connection costs should be paid by requesting businesses.



# Key findings

## The Future and Renewable Energy

- The majority of CitiPower businesses (45%) preferred the 'Green Power' future scenario.
- There is a willingness (68%) to pay a small increase for more renewable energy resources connected to the grid, as well as safeguarding the network against extreme weather (65%).
- Businesses were generally very conscious of reducing electricity usage as much as possible (61%), however this was significantly lower amongst large businesses. (42%). Money was the biggest incentive to adopting energy efficiency measures (85%). These measures used include:
  - Heating/cooling only when necessary
  - Energy efficient machinery and appliances
  - Turning off equipment at the wall
- Businesses were strongly in favour of solar panel installation (80%), with 14% indicating they had these installed. Businesses were also keen to see large-scale renewables being used by the electricity network (72%) and electric vehicles and infrastructure (67%).
  - While around a quarter of businesses indicated an intention to adopt green energy measures in the future, this was likely to be in 3-5 years time.

# Business Survey Methodology

# Methodology

- The survey was conducted primarily online with some CATI top up.
- 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 17/10/2017 to 06/11/2017
- Data was weighted during the analysis by size of business to reflect the CitiPower area.
- Throughout the presentation numbers in **bold green** are significantly higher than the total and numbers in **bold red** are significantly lower than the total.

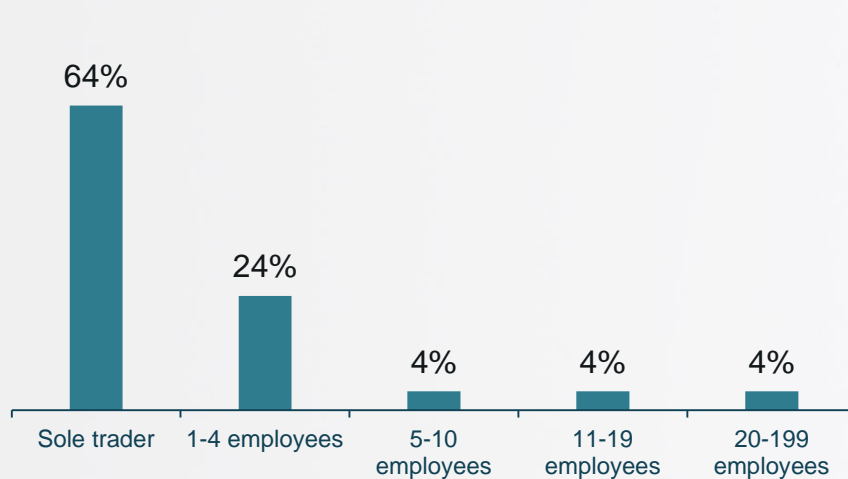
The survey covered the following areas:

- Knowledge and literacy
- Energy values
- Energy behaviours
- Network performance
- Pricing
- Connections

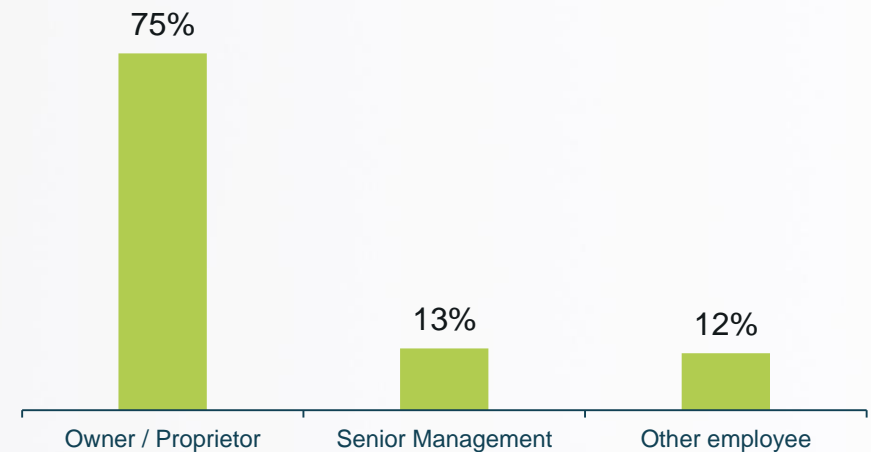
# Participant Profile

# Participant profile

## Employee breakdown



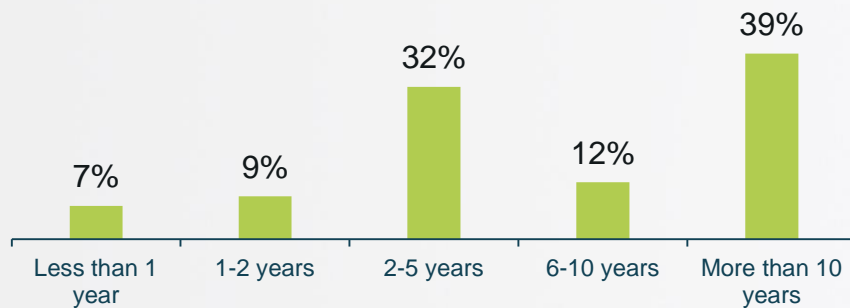
## Position or Title



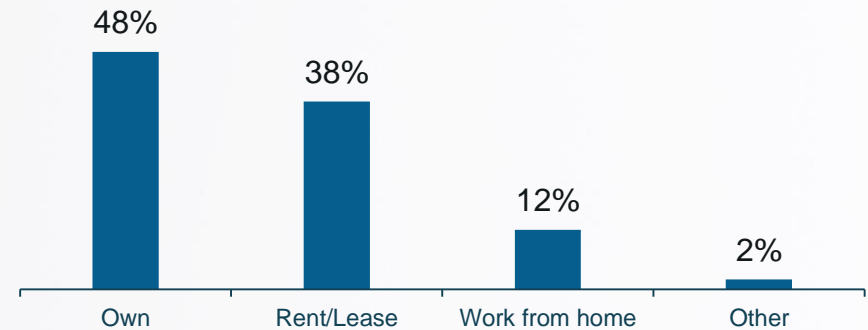
Q2. How many employees do you have in your business, by employees I mean full time equivalents other than the proprietor?  
Q31. What is your position or title within your organisation?  
Base All respondents n=200

# Participant profile

## Length of operation



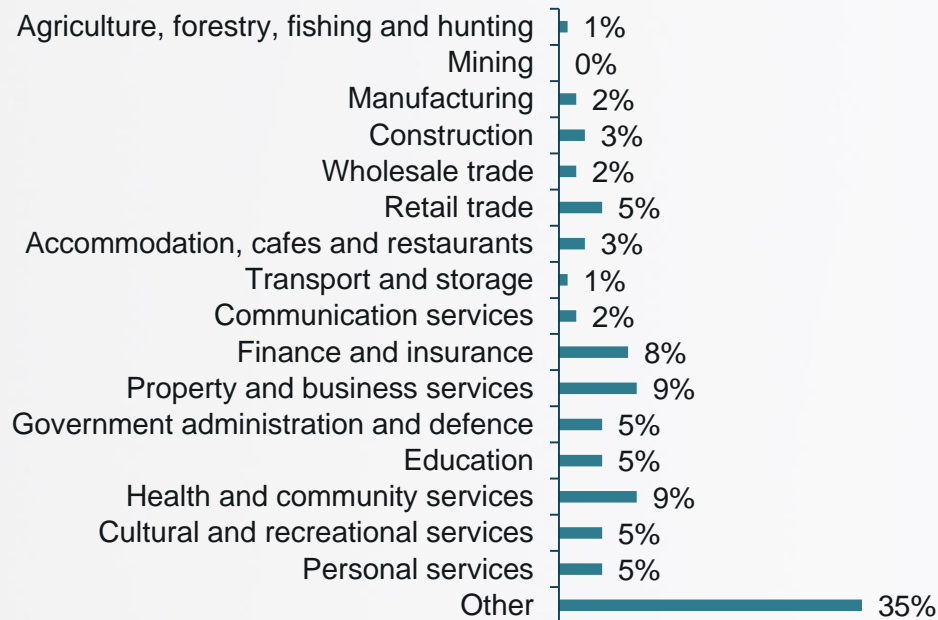
## Business premises



Q32. How many years has your business been operating?  
Q33. Does your business own or rent/lease its business premises?  
Base All respondents n=200

# Participant profile

## Industry



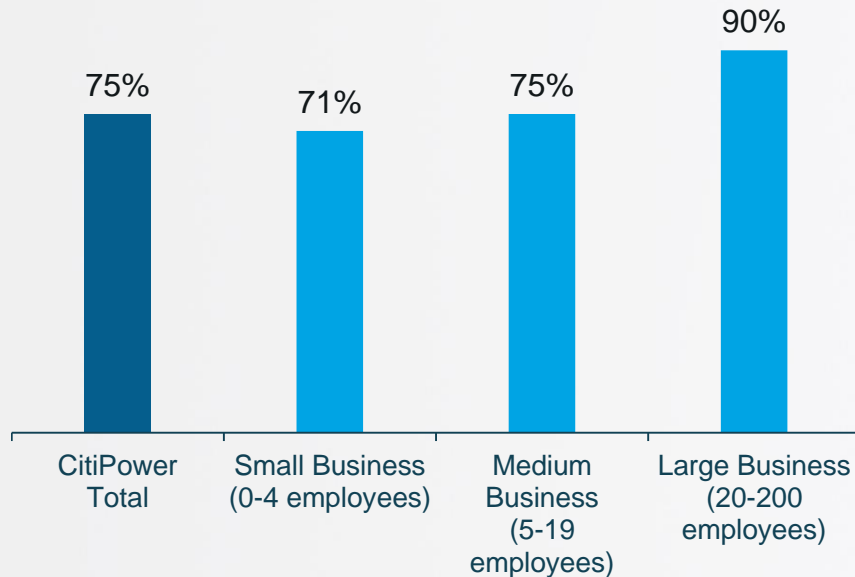
Q3. And what industry does your business operate within?  
Base All respondents n=200

# Knowledge and Literacy

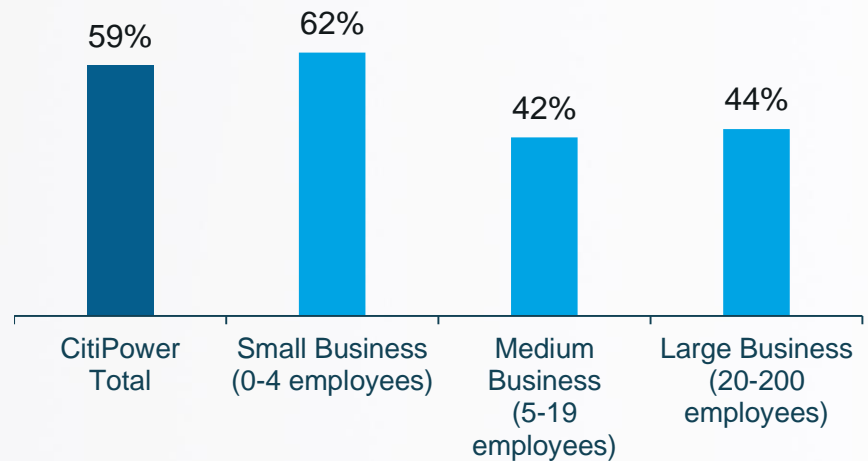


While most businesses felt they knew the difference between retailers and distributors, only 59% correctly knew their distributor to be CitiPower.

### Understanding of the difference between retailer and distributor



### Knowledge of electricity distributor



Q4. Do you feel you have a good understanding of the difference between an electricity distributor and electricity retailer?  
 Q5. What is the name of your electricity distributor? 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

Distributors role was primarily seen to be outage response and maintenance of poles and wires

## Perceived role of a distributor

| Perceived roles   | CitiPower Total<br>(n=200)<br>% | Small Business<br>(0-4 employees)<br>(n=129)<br>% | Medium Business<br>(5-19 employees)<br>(n=40)<br>% | Large Business<br>(20-200 employees)<br>(n=31)<br>% |
|---|---------------------------------|---|--|---|
| Responding to electricity outages and interruptions         | 83                              | 83  | 87   | 68  |
| Maintaining electricity poles and wires                     | 77                              | 77  | 86   | 64  |
| Getting electricity to your business                        | 67                              | 67  | 77   | 61  |
| Connecting electricity to new businesses                    | 55                              | 55  | 63   | 46  |
| Maintaining and operating street lighting                   | 51                              | 50  | 63   | 46  |
| Trimming vegetation around powerlines                       | 49                              | 48  | 57   | 43  |
| Long term planning to ensure a resilient electricity supply | 48                              | 48  | 53   | 43  |
| None of the above   | 7                               | 7   | 3  | 18  |

Q6. [insert distributor] is the electricity distributor for your area. Which of the following roles were you aware that [insert distributor] did before today?  
Base Respondents who indicated they knew the difference between a retailer and distributor n=150

# Energy Values

Reliability was valued most important by all, however large businesses were also concerned with pricing

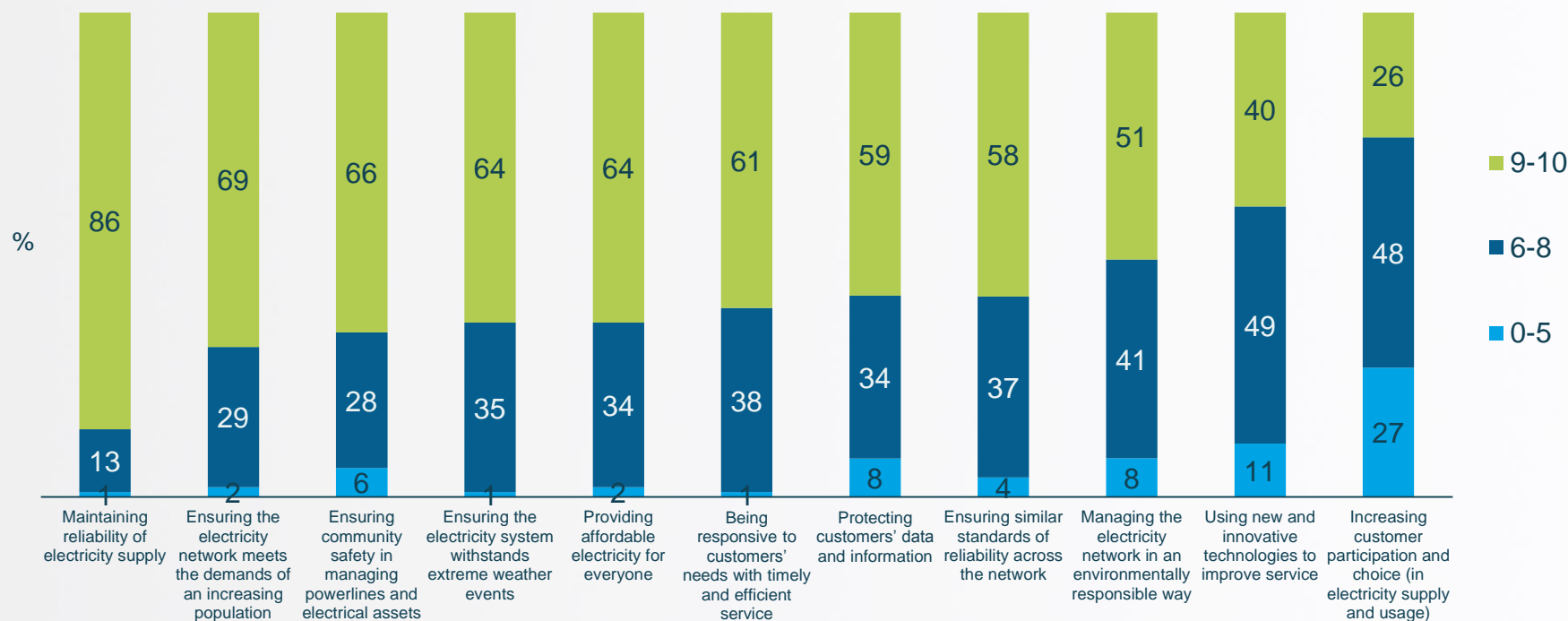
## Top three things most valued by businesses

| Values  | CitiPower<br>Total<br>(n=200)<br>% | Small Business<br>(0-4 employees)<br>(n=129)<br>% | Medium Business<br>(5-19 employees)<br>(n=40)<br>% | Large Business<br>(20-200 employees)<br>(n=31)<br>% |
|---|------------------------------------|---|--|---|
| Reliability/consistent supply                         | 91                                 | 91  | 83   | 97  |
| Price/low cost/value                                  | 76                                 | 76  | 68   | 97  |
| Customer service                                      | 19                                 | 20  | 15   | 13  |
| Fast response to supply issues/problems               | 19                                 | 19  | 20   | 23  |
| Communication /when there are/are going to be outages | 8                                  | 8   | 8  | 3   |
| Safety  | 8                                  | 8   | 5  | 3   |
| Sustainability/eco friendly                           | 8                                  | 6   | 18   | 13  |
| No spikes/surges                                      | 4                                  | 4   | 5  | 3   |
| Other   | 19                                 | 19  | 20   | 16  |

Q7. First of all, when you think about your electricity supply, what are the three things you value most (or are the most important to you)?  
Base All respondents n=200

Maintaining reliability of electricity supply was by far the highest ranked role. Large business were also significantly more likely to rank protecting customer data and information (81%).

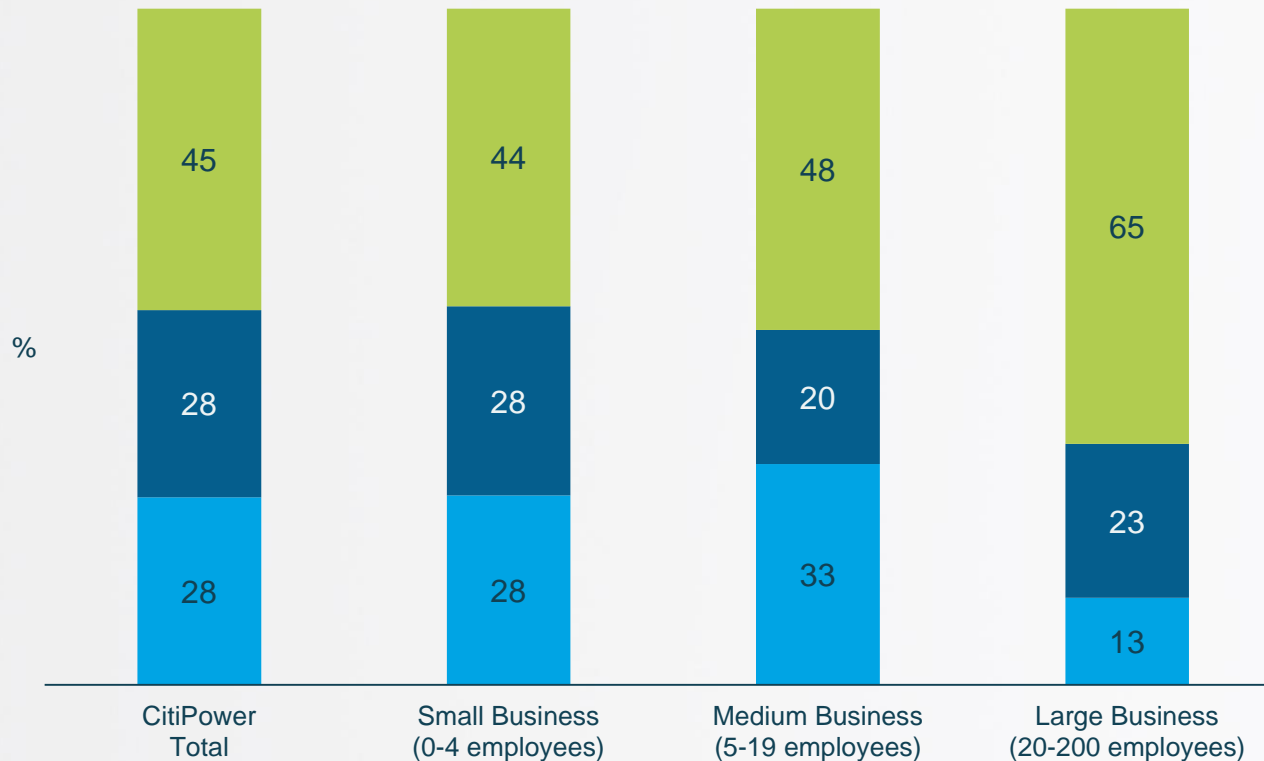
## Importance of values



Q8. Could you now read through a list of values other people have suggested for the role of an electricity distributor and indicate how important that particular value is to you personally using a scale from 0-10 where 10 is extremely important and 0 is not important at all. You may use any number in between to indicate how important it is to you. Taking the first value...  
Base All respondents n=200

There was a business preference towards the Green Power scenario, which was significantly higher amongst large businesses.

### Most preferred future scenario



Green Power



Consumer Power



Steady State



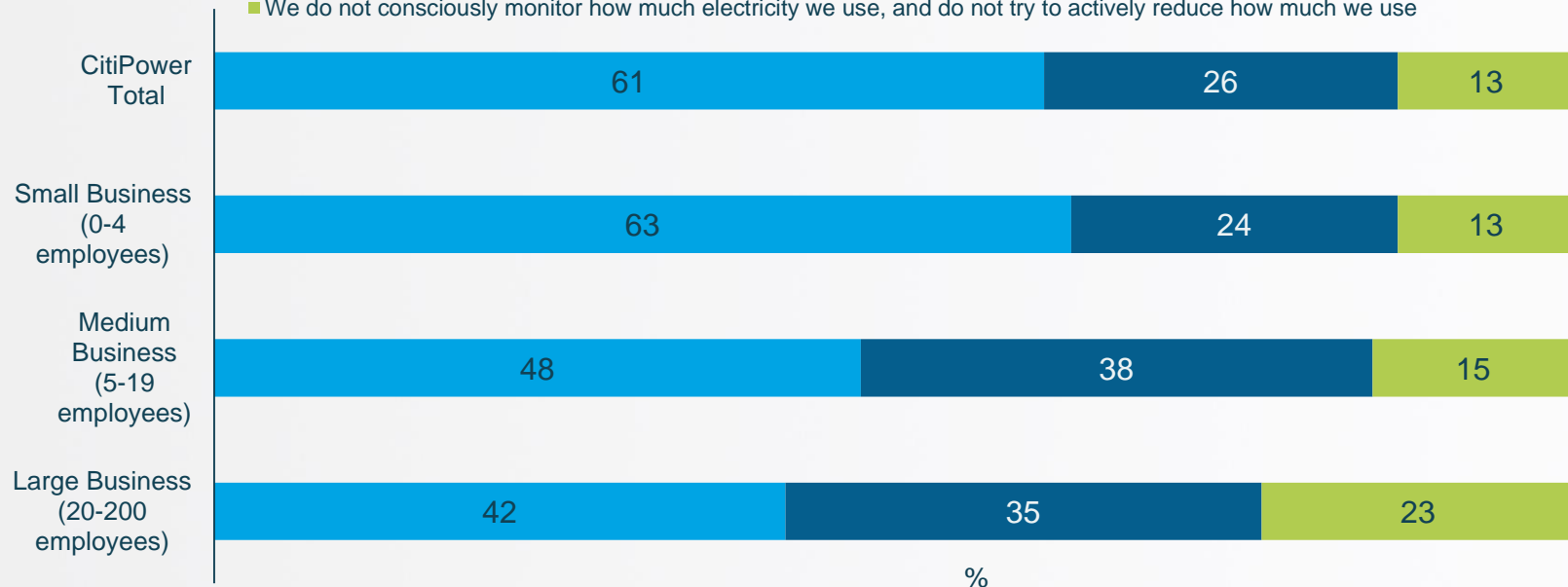
Q9. Below are three possible future scenarios for electricity distributors for the next 10 to 15 years. After you have read through them, could you indicate which would be your first choice (1), which would be your second choice (2) and which would be your least preferred option (3).  
Base: All respondents n=200

# Energy Behaviours

Businesses were generally very conscious of reducing electricity usage as much as possible, however this was significantly lower amongst large businesses.

### Attitude toward electricity

- We are very conscious of how much electricity we use and try to reduce our usage as much as possible
- We try to be conscious of how much electricity we use, however we are poor at actively reducing how much we use
- We do not consciously monitor how much electricity we use, and do not try to actively reduce how much we use



Q10. How would you describe your business's attitude towards electricity?  
Base All respondents n=200



Assessing the necessity for heating and cooling was a day-to-day measure used by businesses, less so amongst large organisations.

## Adoption of energy efficiency measures

| Energy Efficiency Measures  | CitiPower Total<br>(n=200)<br>% | Small Business<br>(0-4 employees)<br>(n=129)<br>% | Medium Business<br>(5-19 employees)<br>(n=40)<br>% | Large Business<br>(20-200 employees)<br>(n=31)<br>% |
|---|---------------------------------|---|--|---|
| We only heat or cool the premises using heaters or air conditioners when it is absolutely necessary | 69                              | 71  | 55   | 39  |
| We ensure that any machinery or appliances we purchase are energy efficient models                  | 55                              | 56  | 50   | 42  |
| We always turn off our equipment and appliances at the wall   | 42                              | 43  | 45   | 29  |
| We change the times we use certain machinery to avoid peak times                                    | 29                              | 32  | 13   | 6   |
| We have switched to other energy sources, like gas or an oil generator                              | 5                               | 4   | 8  | 10  |
| We have changed our operating hours to reduce our electricity consumption                           | 3                               | 3   | 8  | -   |
| We have changed our business model to reduce our electricity consumption                            | 3                               | 2   | 5  | 10  |
| Other   | 5                               | 5   | -  | 10  |
| None  | 11                              | 10  | 18   | 23  |

Q11. Which of the following energy efficiency measures does your business adopt?  
Base All respondents n=200

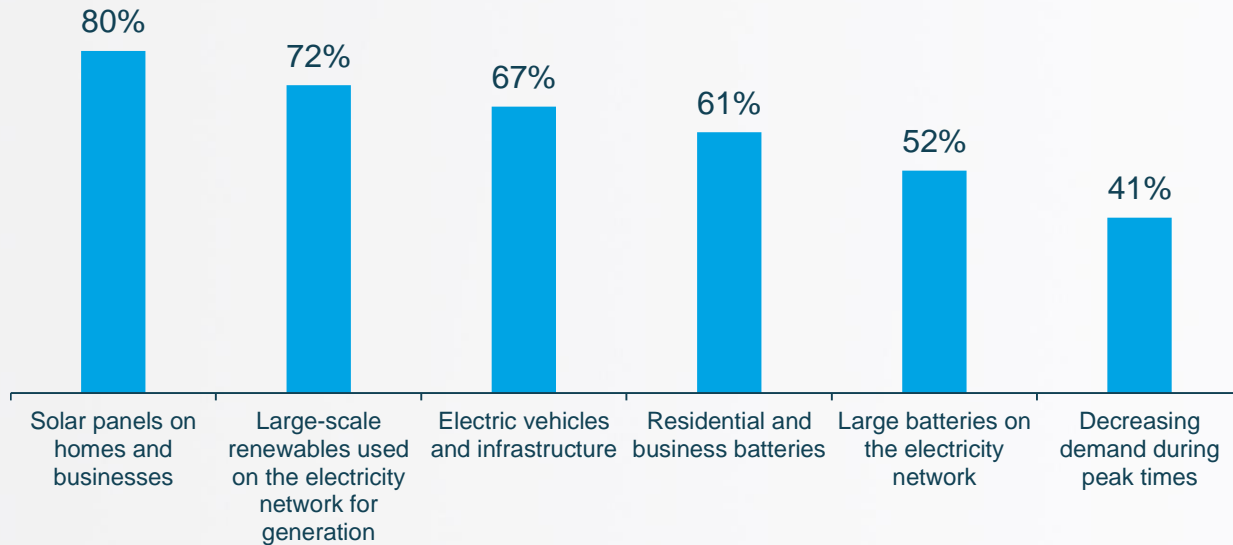
Saving money was the biggest incentive for businesses to implement energy efficiency measures. Only large businesses indicated any form of company policy.

### Reasons for adopting energy efficiency measures

| Reasons for adopting energy efficiency measures | CitiPower Total<br>(n=200)<br>% | Small Business<br>(0-4 employees)<br>(n=129)<br>% | Medium Business<br>(5-19 employees)<br>(n=40)<br>% | Large Business<br>(20-200 employees)<br>(n=31)<br>% |
|---|---------------------------------|---|--|---|
| To save money                                   | 85                              | 85  | 88   | 83  |
| To lower our carbon footprint                   | 60                              | 61  | 50   | 67  |
| To reduce the load on the network               | 13                              | 13  | 6  | 21  |
| Company policy                                  | -                               | -   | -  | 4   |

Solar panels and large scale renewables were the technologies most businesses were strongly in favour of

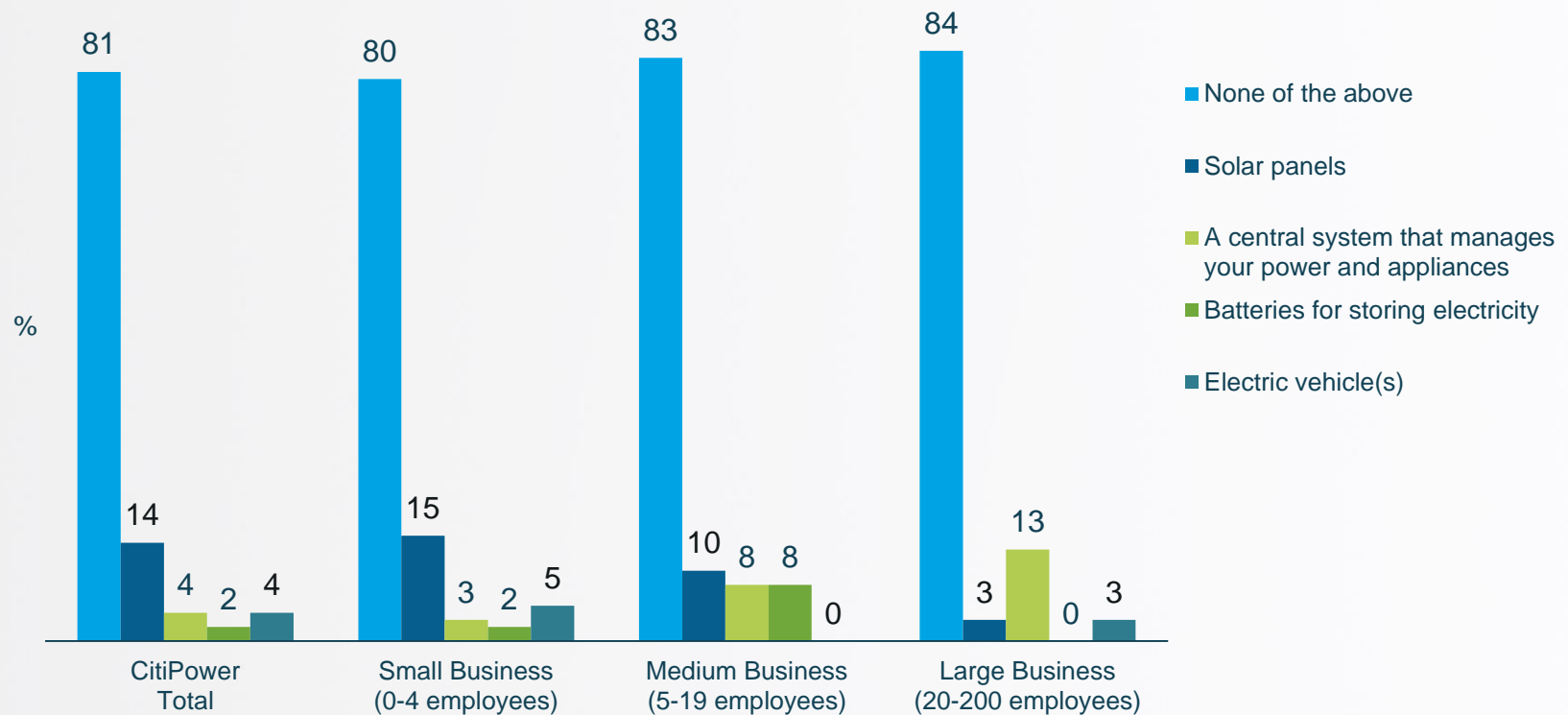
### Favourable technological and behavioural network adoptions



Q13. Looking at the following technological and behavioural options below, how much are you in favour of the adoption of them in the electricity network:  
Base All respondents n=200

There were only around 20% of businesses that had energy efficient solutions in place, more often solar panels

### Energy efficient solutions currently in place within the business



Q14. Does your business currently have any of the following:  
Base All respondents n=200

Around a quarter of businesses indicated likelihood to adopt energy efficiency measures in the future, with smaller businesses predicting uptake of EV's and large businesses, installation of solar panels

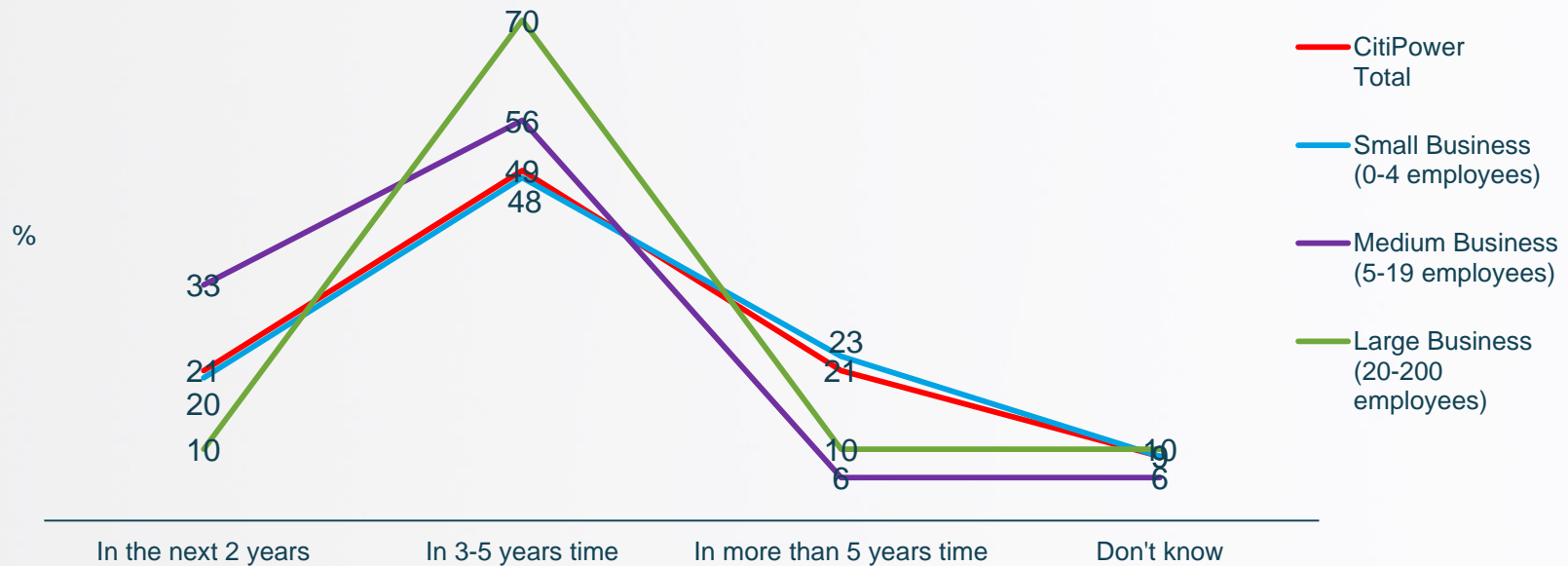
### Intention of green energy adoption

| Likelihood of installing various green energy measures          | CitiPower Total (n=200)<br>% | Small Business (0-4 employees) (n=129)<br>% | Medium Business (5-19 employees) (n=40)<br>% | Large Business (20-200 employees) (n=31)<br>% |
|---|------------------------------|---|--|---|
| Purchase an electric vehicle(s)                                 | 27                           | 27  | 33   | 13  |
| Purchase a battery  | 23                           | 24  | 16   | 19  |
| Install solar panels  | 22                           | 23  | 14   | 23  |
| Install a central system that manages your power and appliances | 16                           | 16  | 11   | 19  |

Q15. How likely would your business be in the future to....  
Base Respondents who did not have the green energy option already (Bases vary)

Most businesses envisaged the adoption of green energy technology in 3-5 years time

### Timeframe for intended green energy adoption



Q16. When do you think your business would be likely to invest in these technologies?  
 Base Respondents who did not have the green energy option already and were likely to purchase in the future  
 n= 90

Saving money was the biggest motivation for investing in green energy, as well as move towards sustainability

### Reason for being likely to invest in green energy technology

| Reason for intention to install various green energy measures | CitiPower Total (n=200) % | Small Business (0-4 employees) (n=129) % | Medium Business (5-19 employees) (n=40) % | Large Business (20-200 employees) (n=31) % |
|---|---------------------------|--|---|--|
| To save money   | 74                        | 75                                       | 67  | 60   |
| It is more sustainable  | 70                        | 71                                       | 61  | 80   |
| To be more self-sufficient                                    | 64                        | 63                                       | 67  | 90   |
| To sell electricity back to the grid                          | 26                        | 26                                       | 22  | 20   |
| As part of a downsize/upsized                                 | 5                         | 5  | -   | -  |
| Building Renovations  | 1                         | 1  | -   | -  |
| Our customers expect us to have forward looking practices     | -                         | -  | 6   | -  |
| Other   | 2                         | 2  | -   | -  |
| Don't know  | 1                         | 1  | -   | -  |

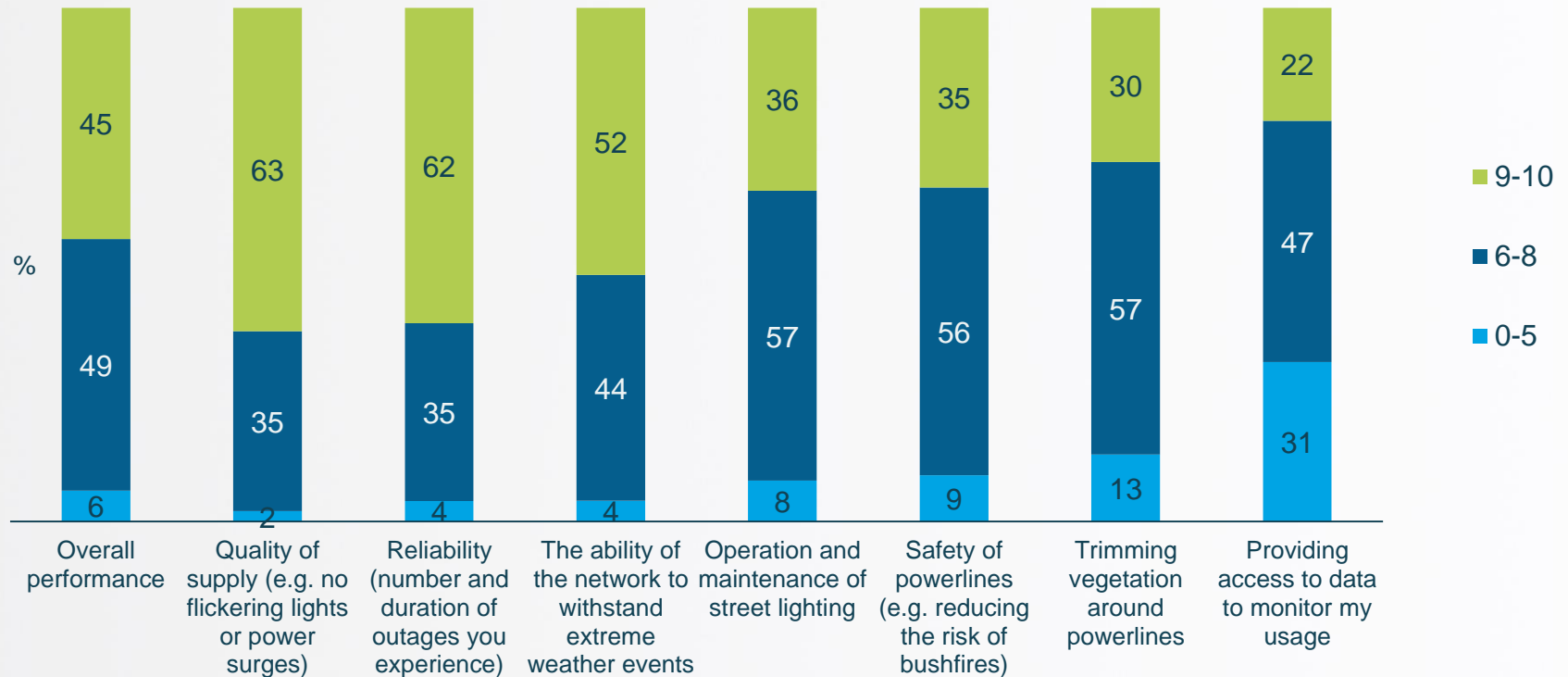
Q17. And for which of the following reasons would your business be likely to invest in these technologies?  
Base Respondents who did not have the green energy option already and were likely to purchase in the future n= 90

# Network Performance



Distributor performance is generally satisfactory on most measures with the exception of providing access to data to monitor usage

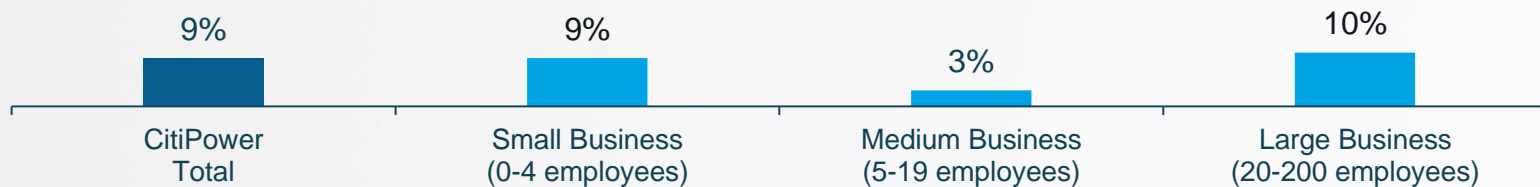
### Satisfaction with distributor performance



Q18. Thinking about all that your network distributor does, could you please rate your satisfaction with their performance using a score out of 10, where 10 is the highest and 0 is the lowest, on the following factors. For example, how satisfied are you with [insert network] in terms of:  
Base All respondents n=200

There was a general lack of acceptance to have lower reliability as a trade off for a reduction in electricity bills

### Acceptance of trading off reliability for a reduction in electricity costs

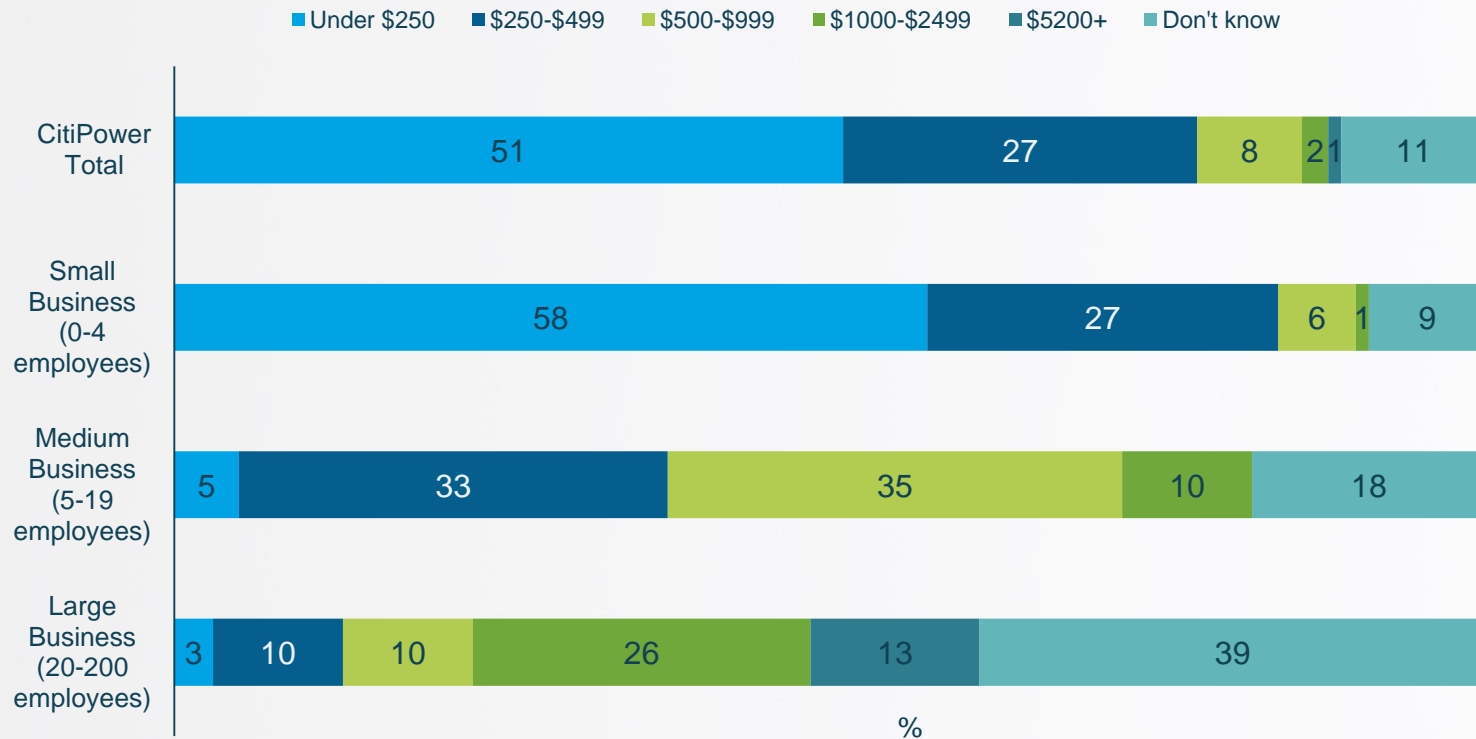


Q19. In principle, would you be willing to accept a lower level of reliability (for example, more or longer outages or more flickering power) if it meant a reduction in your electricity bill?  
Base All respondents n=200

# Pricing

The majority of businesses paid under \$250/month

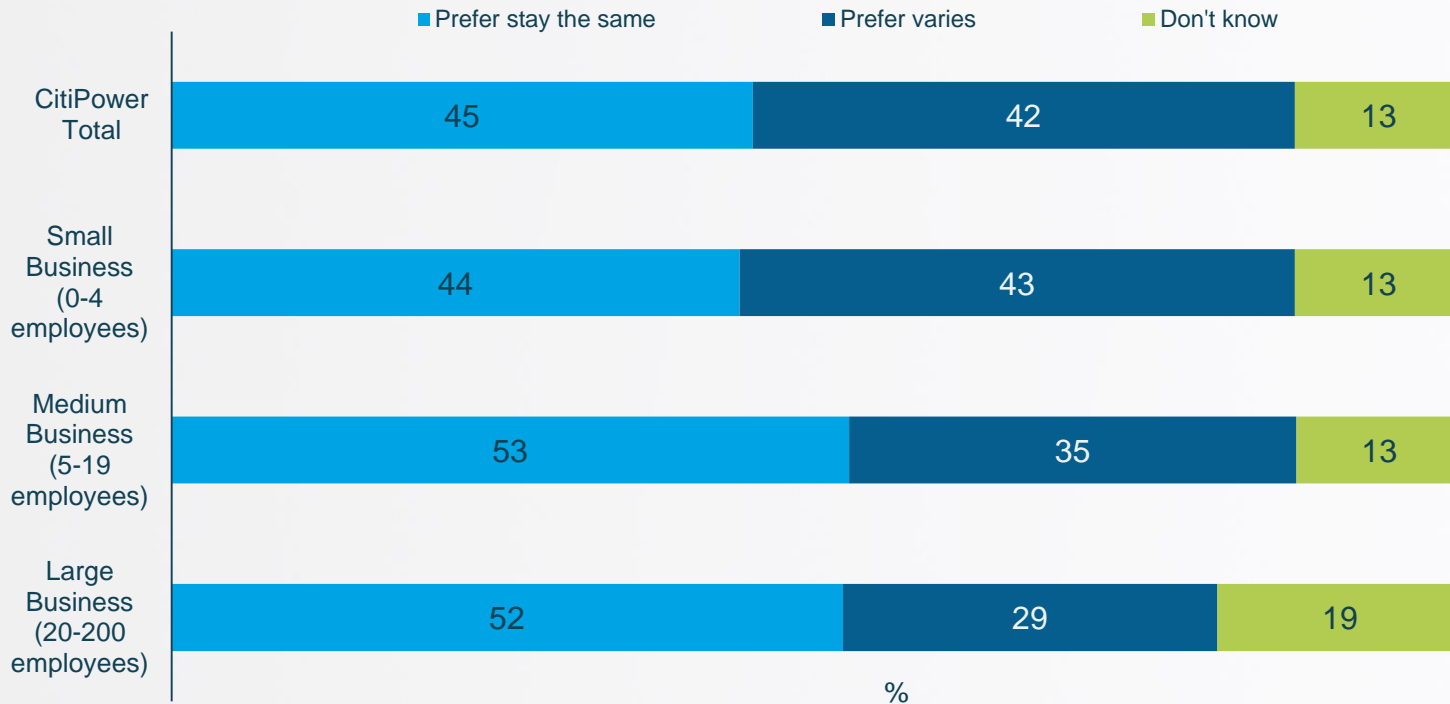
## Cost of Monthly Electricity Bill



Q21. Which of the following price ranges does your business's typical electricity bill fall per month?  
Base All respondents n=200

There was a slight preference for pricing to stay the same rather than move to variable pricing

## Time of Use Pricing Preferences

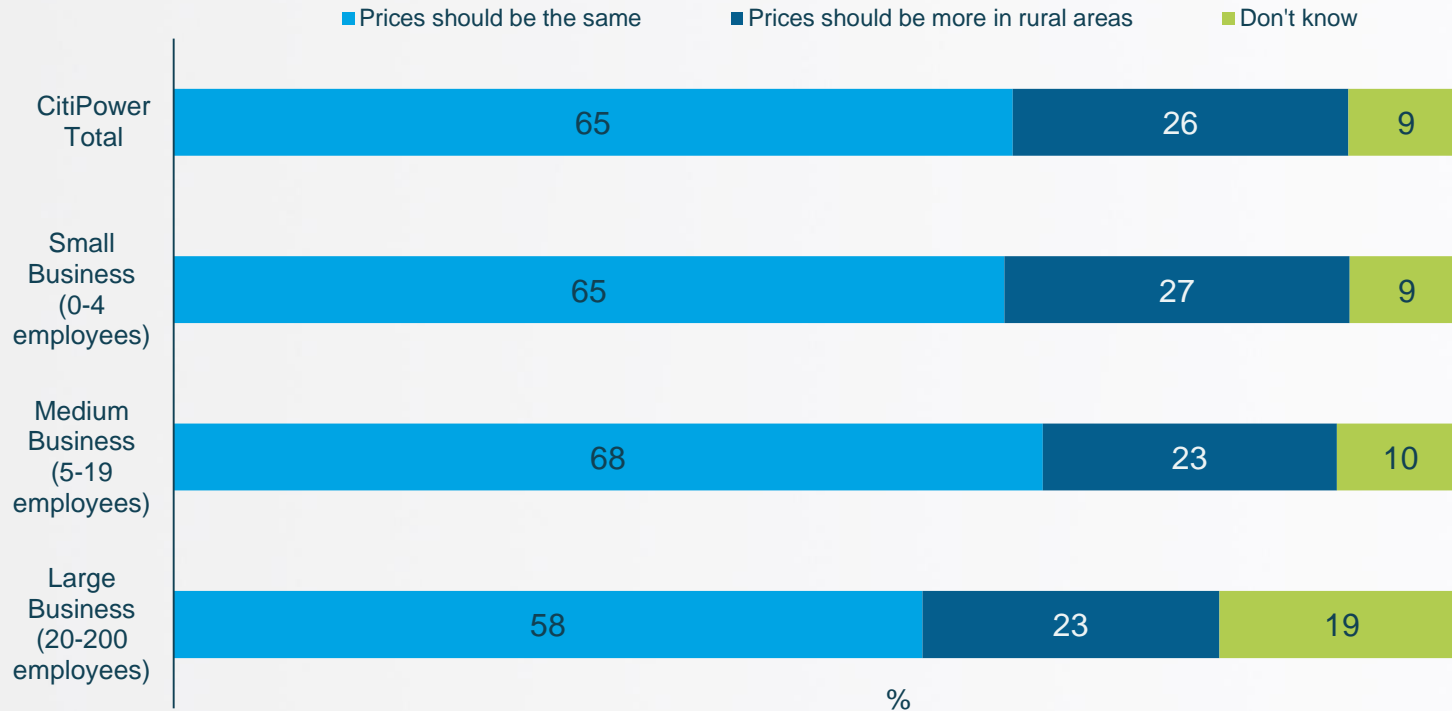


Q22. Do you prefer that the price of electricity stays the same throughout the day regardless of how or what time of the day you use it, or would you prefer that it varies? ? A variable price would allow your business to alter its electricity usage in response to lower and higher prices.

Base All respondents n=200

## Nearly two-thirds of businesses felt that prices should stay the same across geographic locations

### Time of Use Pricing Preferences

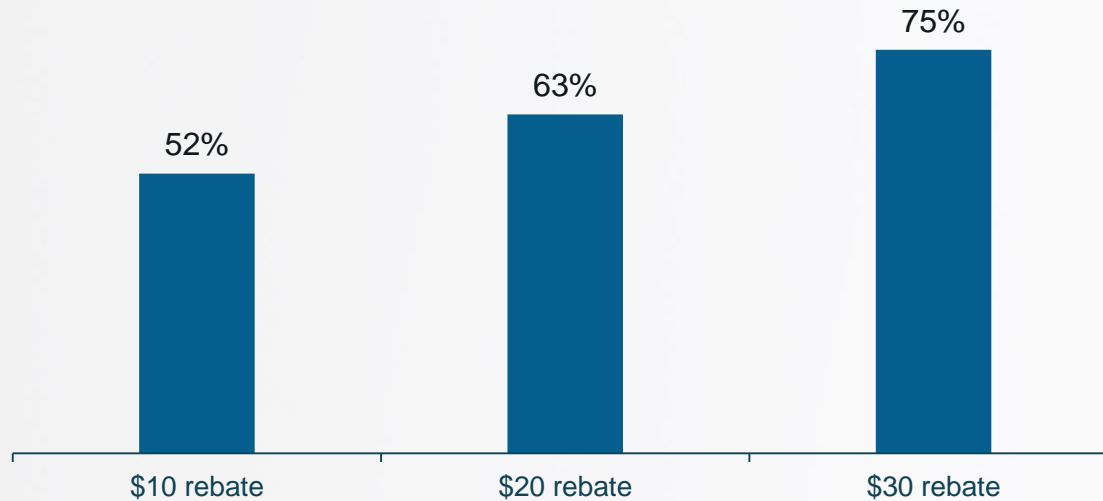


Q23. It costs more to supply electricity to rural and remote areas than urban areas. Do you think that everyone should be paying the same rates regardless of where they live or should rural customers be paying more for electricity than urban customers?

Base All respondents n=200

Three-quarters of businesses indicated they would be interested in a rebate of \$30 for reducing energy usage

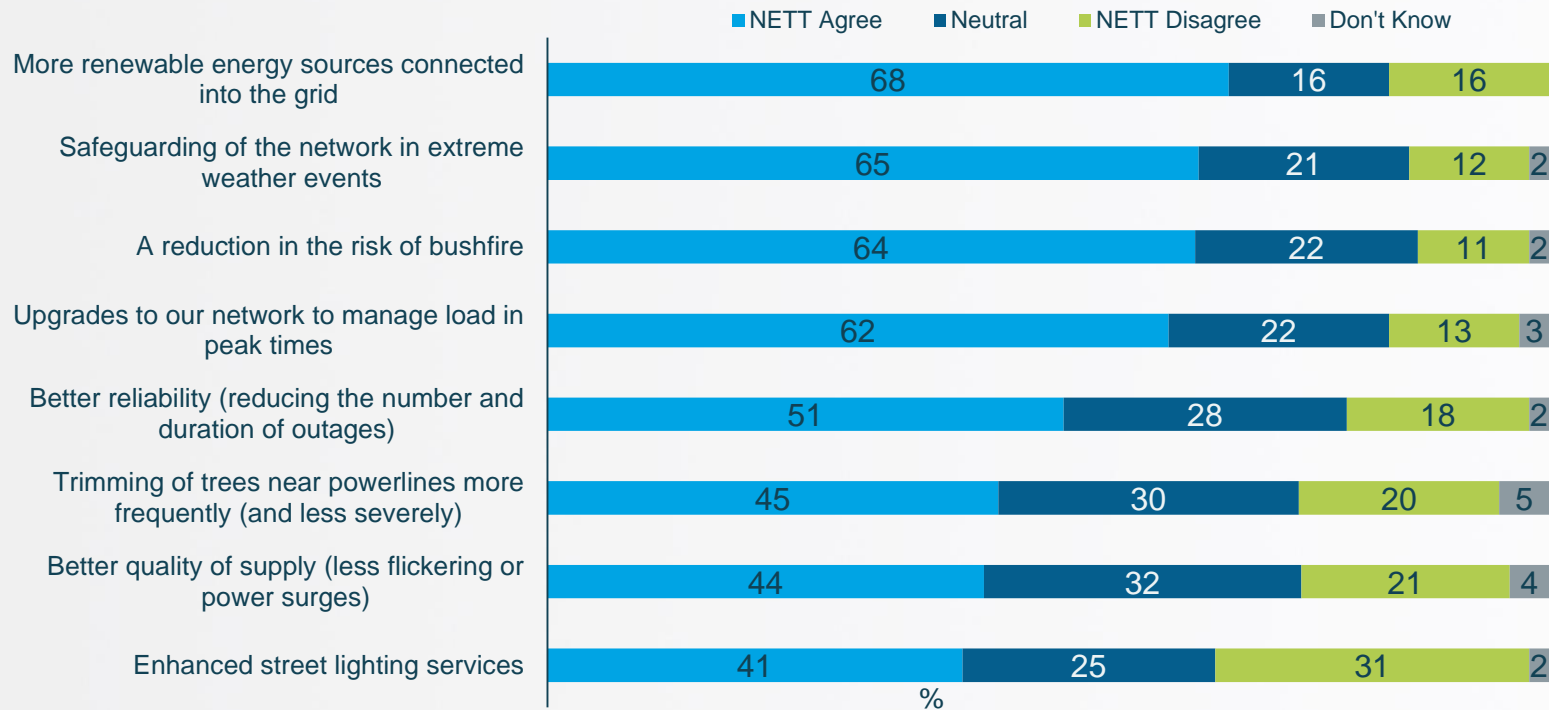
## Rebates for Reduction in Electricity Consumption



Q24. How interested would you be in a rebate that rewarded you for reducing your electricity consumption during peak times? How interested would you be if the rebate resulted in a saving of ...  
Base All respondents n=200

# There was a greater willingness to pay for renewable energy and safeguarding the network from extreme weather events

## Willingness to Pay for Various Services

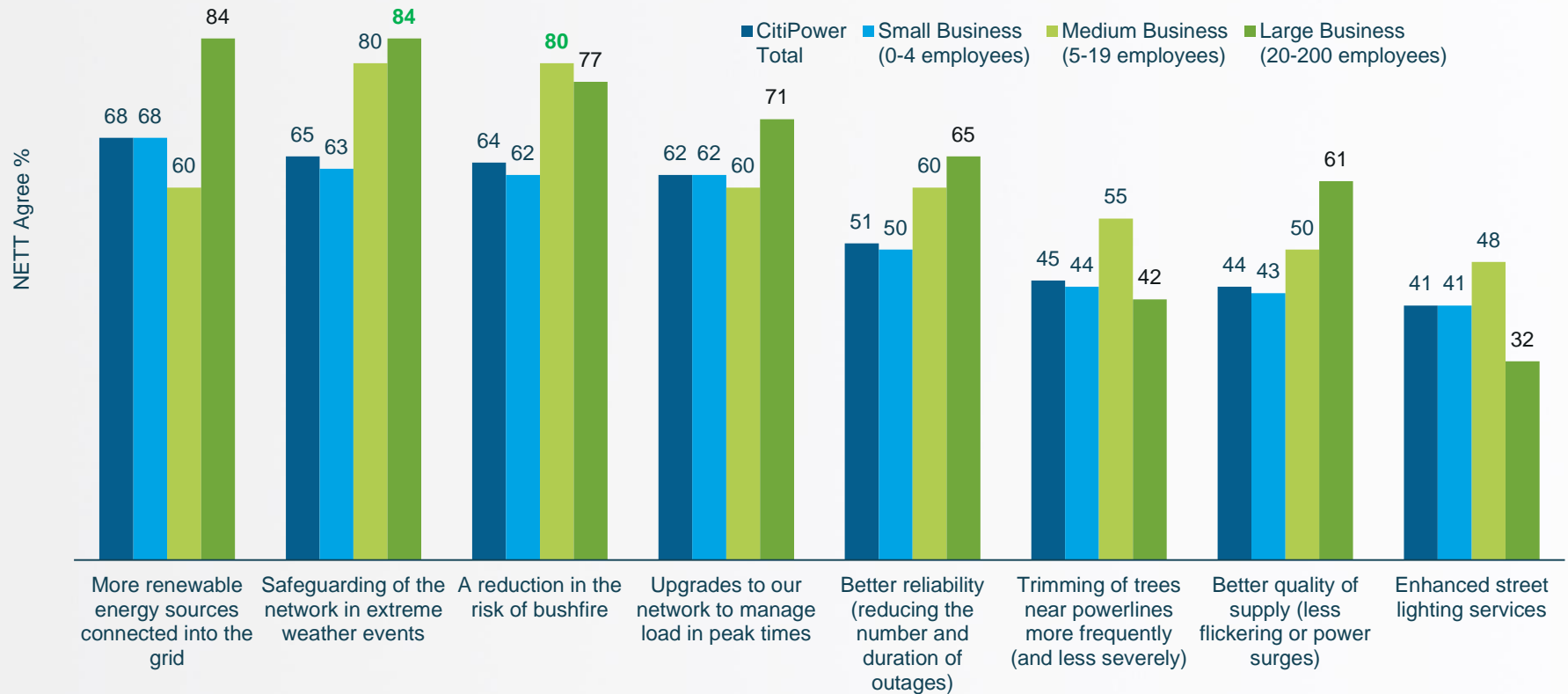


Q25. To what extent do you disagree or agree that: "I would be happy with a small increase in my business' electricity bill (less than \$1 per month per option) to provide...  
Base All respondents n=200



Medium and large businesses were more likely to agree with paying more for safeguarding against extreme weather and reducing bushfire risk

## Willingness to Pay for Various Services by Business Size



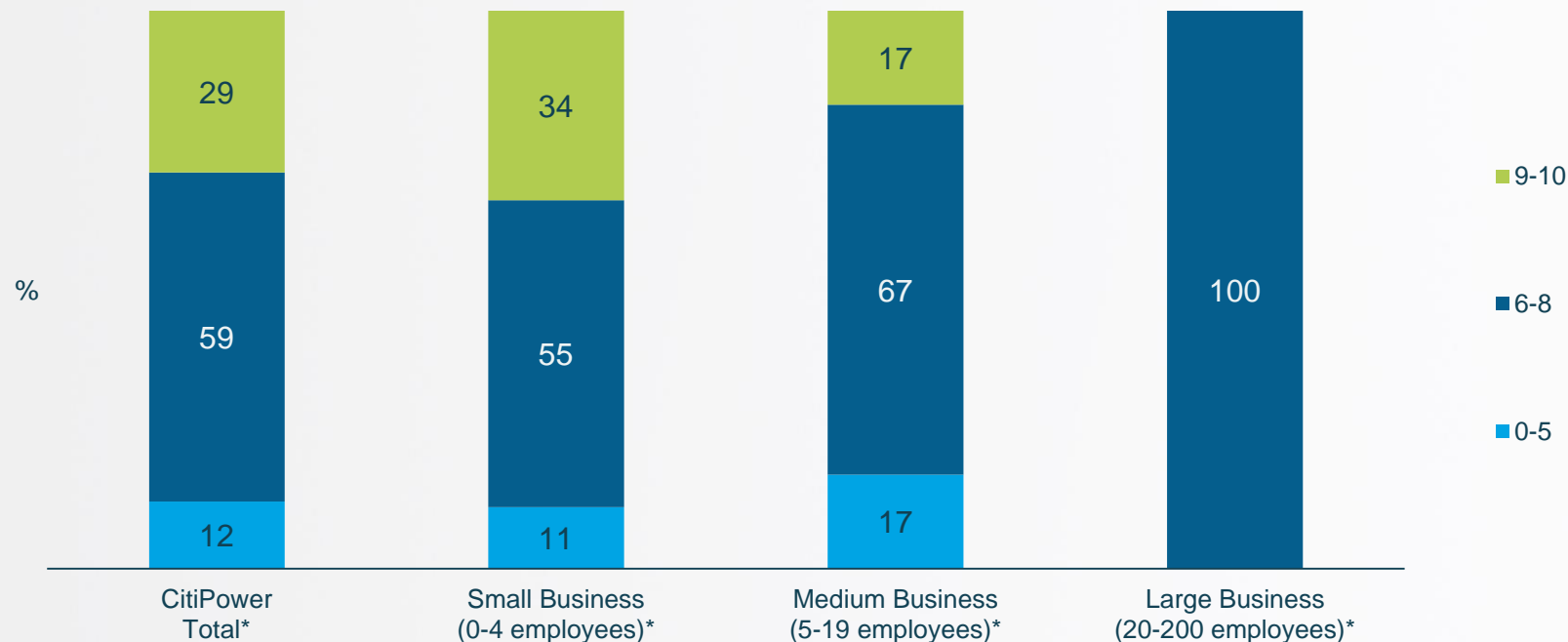
Q25. To what extent do you disagree or agree that: "I would be happy with a small increase in my business's electricity bill (less than \$1 per month per option) to provide..."

Base All respondents n=200

# Connections

Amongst a very small sample of participants who had had their electricity connected to businesses in the last 12 months, just over one in ten indicated they were dissatisfied

### Satisfaction with Connection Service

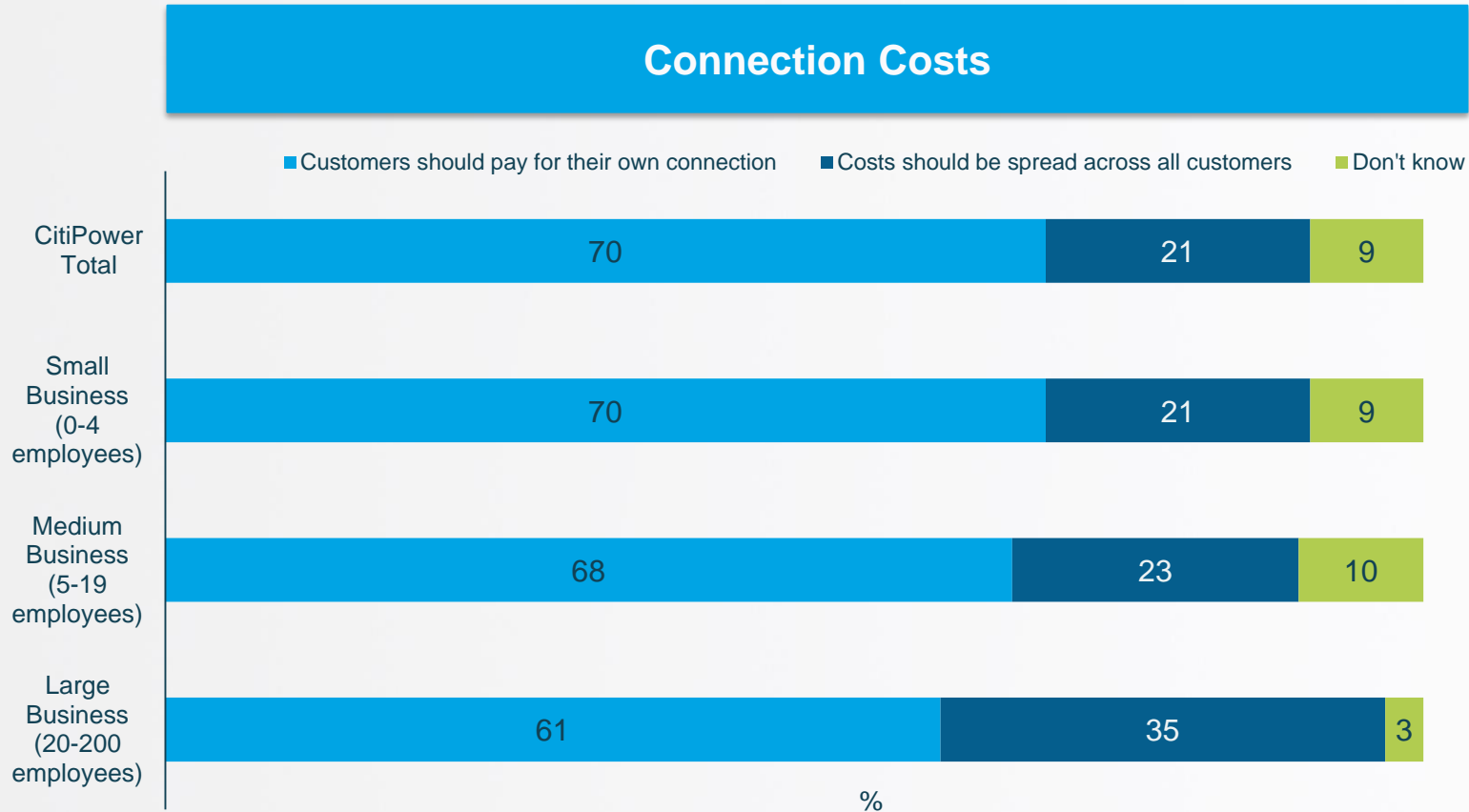


Q28. On a scale from 0-10, where 0 is very dissatisfied and 10 is very satisfied, how satisfied were you with the service you received from your distributor during the connection process?

Base respondents who had power connected for a new home in the past 12 months n=15\*

\*WARNING SMALL BASE SIZE

## There was as strong call for businesses to pay for their own connection costs



Q29. Do you think the cost to connect customers to the network for a new home, business or solar should be spread across all customers, or paid by the customer requesting the connection?

Base All respondents n=200

**Liz Sparham | Director**

t +612 9261 5221 | e [cpalmer@woolcott.com.au](mailto:cpalmer@woolcott.com.au)

[www.woolcott.com.au](http://www.woolcott.com.au)

## Phase II

Prepared for CitiPower

