



Findings from Consumer Survey

Prepared for



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Background & objectives

- Essential Energy is a NSW Government owned corporation with responsibility for building, operating and maintaining Australia's largest electricity network.
- The organisation is required to submit to the Australian Energy Regulator a regulatory proposal and tariff structure statement on a five year basis.
- This regulatory proposal is due to be submitted for the 2019-24 period by January 2018.
- A significant programme of customer and stakeholder engagement is being conducted to contribute to the development of the proposal.
- This survey forms part of that programme.

Research design

- An online survey was conducted with a representative sample of n=752 residential customers. Sample was obtained through a reputable and quality assured research panel provider.
- In addition n=34 survey completes were obtained through the Essential Energy 'Your Say' website.
- The survey was scripted and hosted internally to ensure strict quality control procedures were applied in the checking of set-up, and in monitoring progress on a daily basis.
- During analysis data interlocking weights were applied for age, gender and region to ensure the data is representative of the Essential Energy network area.

Summary

Awareness and role

- The vast majority of respondents had heard of Essential Energy (85%) and most had a vague idea about what Essential Energy does (involved in electricity, supplier of electricity, poles and wires).
- Of the regions, awareness of Essential Energy and its role was slightly lower in the Southern region.
- Out of the potential reasons listed, people were most likely to contact Essential Energy to report a power outage (41%) or connect to the electricity network (35%).
- Origin was more likely to be contacted than Essential Energy for connecting to the network, advice on using less electricity, obtaining battery storage and solar panel installation. They were equally likely to be contacted for reporting a power outage.

Summary

Communication

- More respondents thought it was easy (38%) to communicate with Essential Energy than difficult (5%), however a large number did not know (33%).
- Email was the preferred method of contact in most situations, with text messages preferred for notification of unplanned outages. Letters were also favoured over other means for consultation on future plans, notification of planned outages and other subjects.

Summary

Reliability

- Most respondents considered their electricity supply to be quite (53%) or very reliable (26%), and this was quite consistent across regions.
- There was no clear preference in terms of greater frequency/shorter duration or lesser frequency/longer duration (there was slight preference for more outages of shorter duration).
- Over half of respondents chose the status quo (53%) – they were not willing to pay more for shorter outages or pay less for more frequent outages. However, in the forums when more information was provided about current reliability levels, so they had more awareness of the frequency and duration of outages, most attendees chose the option to pay \$40 less a quarter to accept 1-2 more outages a year.
- Most respondents were not willing to pay \$20 more per quarter to avoid a 24 hour unplanned outage every 10 years (78%).

Summary

Servicing remote areas

- Most respondents agreed that Essential Energy should invest more to ensure remote/worse served customers receive the same levels of service as other more populated parts of the network (47% strongly agreed and 24% agreed slightly).
 - Although still likely to agree, those in the north coast region were less likely to strongly agree (40%) and those in the northern region were more likely to strongly agree (54%).
- Around two thirds (68%) agreed that EE should invest in researching microgrids for remote locations as an option.
- Over a third (36%) were not concerned about switching to locally sourced generation with a further 44% undecided. The main concerns were about guaranteeing reliability and price.
- Almost half (47%) would agree to a diesel generator being used to supplement battery storage for a microgrid with a further third undecided (33%).

Summary

Pricing

- There were mixed views regarding value for money, with slightly more believing they were getting value for money (39%) than not (29%).
- Most were satisfied with the information provided on their bill (60%). Of those who were dissatisfied, most wanted more information on time of day usage and a breakdown of costs (retail, distribution and generation).
- Almost a half would prefer a price cap (48%) over a revenue cap (19%).
- Half disagreed with locational based pricing (49%) with almost a third undecided or unsure (31%).
- Almost two thirds were in favour of reduced pricing for specific customer groups (63%) – when asked these groups included pensioners/elderly, medically vulnerable, financially vulnerable customers and those in remote locations.

Summary

Future engagement

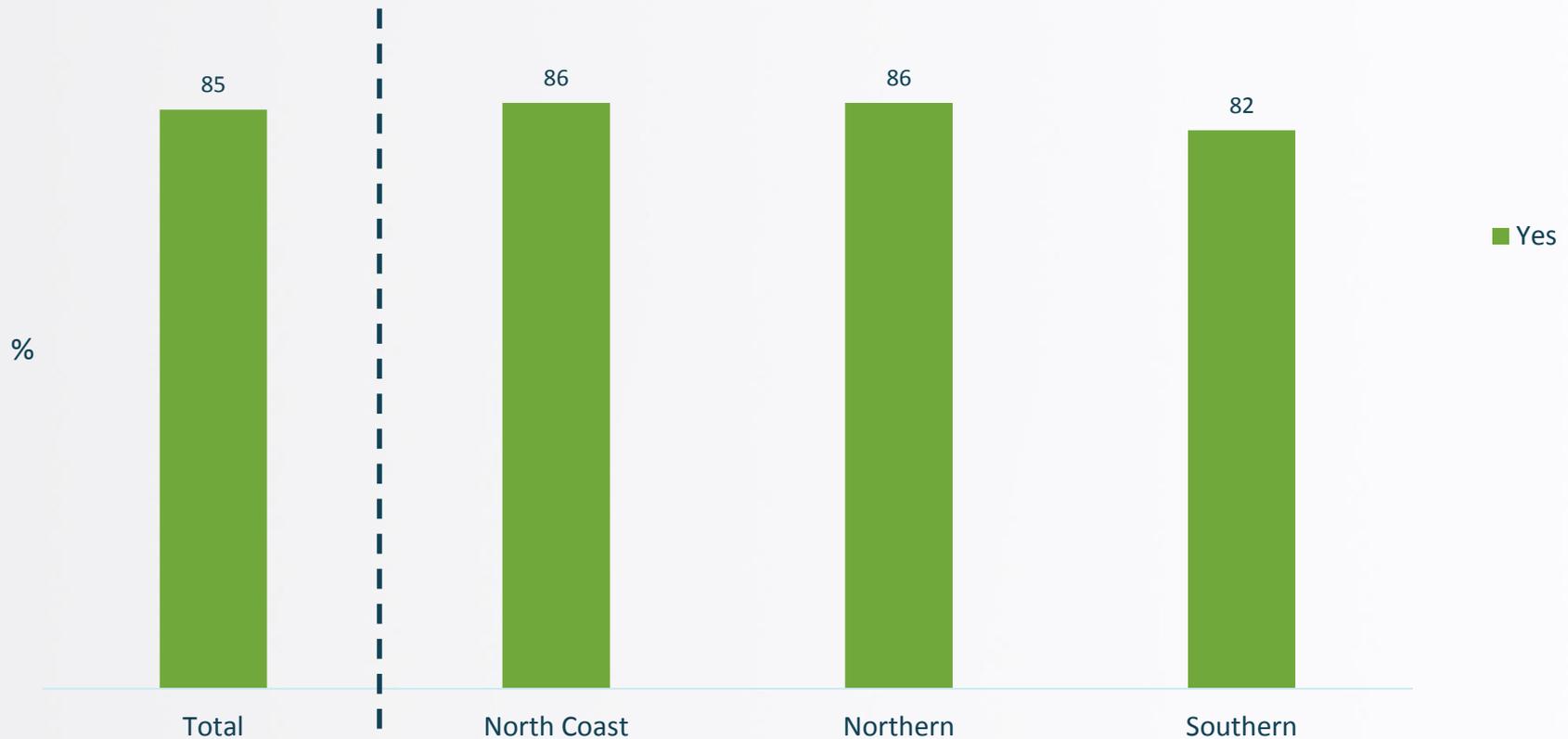
- Most believed that Essential Energy's current engagement activities were sufficient (81%).
- Of those who thought that Essential Energy should be doing more, other than price suggestions were mainly about providing more information to customers in a clear and easy to understand way.

Awareness and familiarity



Most consumers had heard of EE

Awareness of Essential Energy



Q9. Have you heard of Essential Energy?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Consumers had a basic understanding of the services provided by EE

Services provided by Essential Energy (recalled)	Total (n=669) %	North Coast (n=251) %	Northern (n=217) %	Southern (n=201) %
Electricity NFI^	23	23	19	26
Electricity and gas NFI^	14	10	16	18
They are a supplier of electricity/power/in our region	12	15	13	8
They are the poles and wires people/do the maintenance of the network	11	13	14	6
Energy/power NFI^	4	5	5	3
I know only the name	4	2	3	7
Solar NFI^	3	4	2	5
They restore power when there is an outage	3	4	4	3
They do the connections for electricity/ to houses	3	3	2	4
They are our provider/they are the provider in our area/ used to be our provider	3	3	4	2
They provide all the services to do with power/supply services	3	4	1	2
They own/provide the infrastructure for power	3	2	3	4
They are electrical distributors/supply electricity to the retailers	2	3	3	1
They are expensive/a bit pricey/put the prices up	2	1	2	2
It is a govt owned company	2	1	2	1
Other	15	18	14	14
Nothing / don't know	10	10	11	9

Q10. From what you know or have heard about Essential Energy, what services do you know they provide?

Base: Respondents who had heard of Essential Energy (n=669)

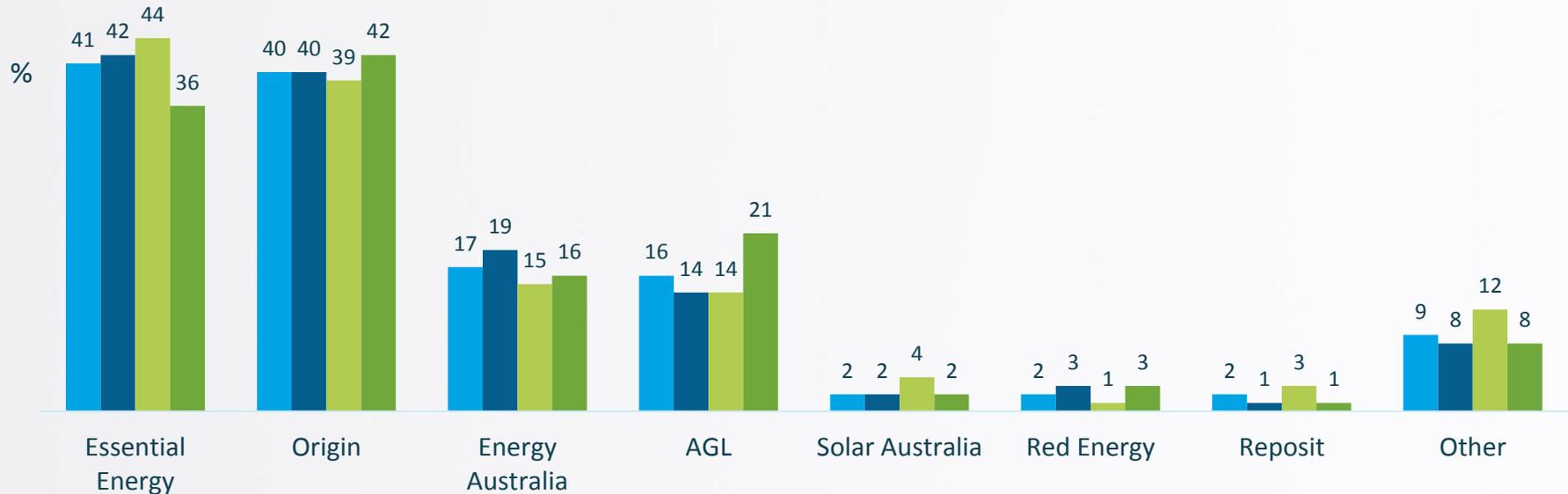
^ NFI = no further information

Origin and EE were the most likely to be contacted to report an outage

Contact if reporting a power outage

■ Total ■ North Coast ■ Northern ■ Southern

Red Energy was unprompted and captured from 'other' responses



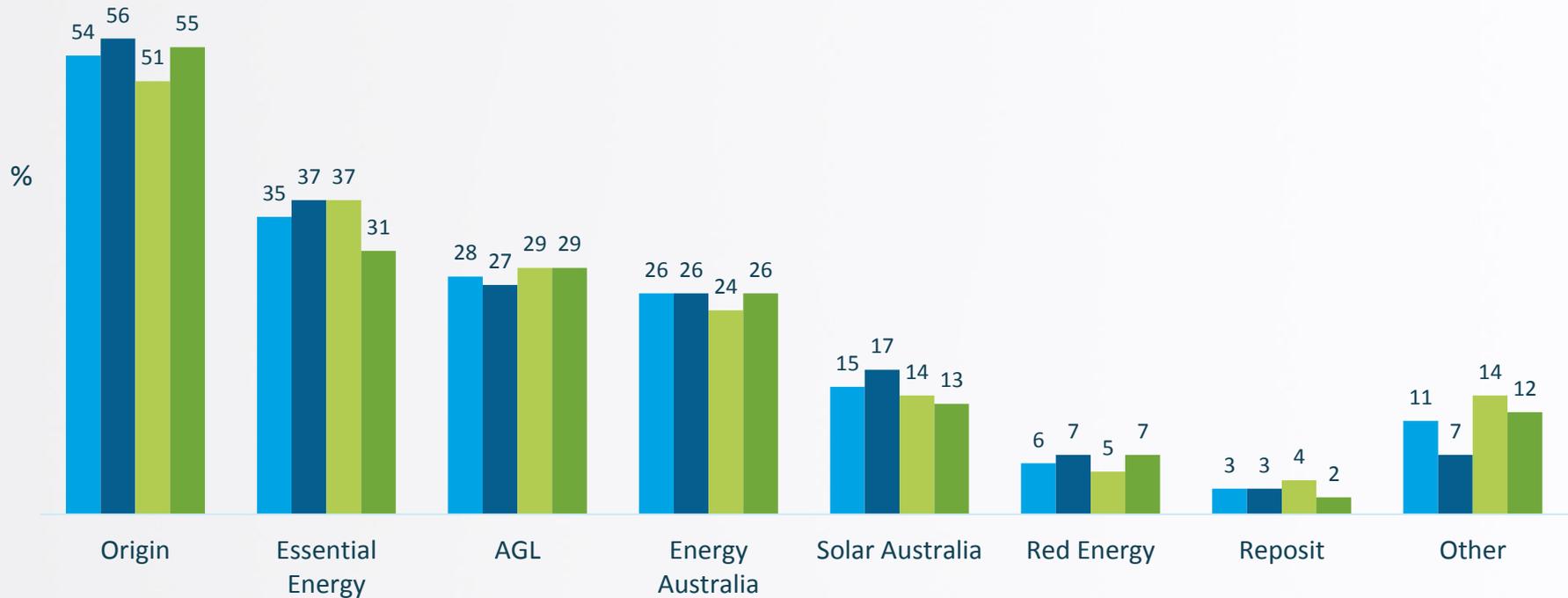
Q7. Firstly we'd like to ask you some questions about who you might call for different issues that might arise in and around your house and neighbourhood. You can select as many companies as you like... Wanting to report a power outage

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Origin was the most likely to be contacted to connect to the network

Contact if connecting to the electricity network

■ Total ■ North Coast ■ Northern ■ Southern



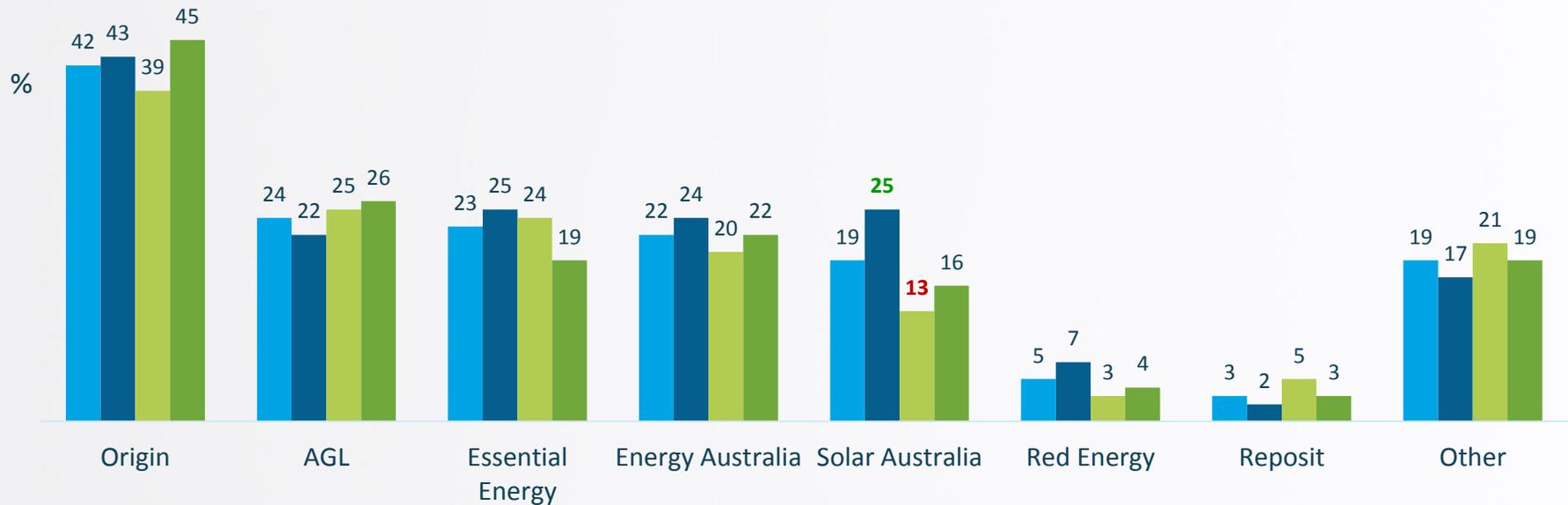
Q7. Firstly we'd like to ask you some questions about who you might call for different issues that might arise in and around your house and neighbourhood. You can select as many companies as you like... Considering connecting to the electricity network e.g. building a house

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Origin was the mostly likely to be contacted to seek advice using less electricity

Contact if seeking advice regarding using less electricity

■ Total ■ North Coast ■ Northern ■ Southern



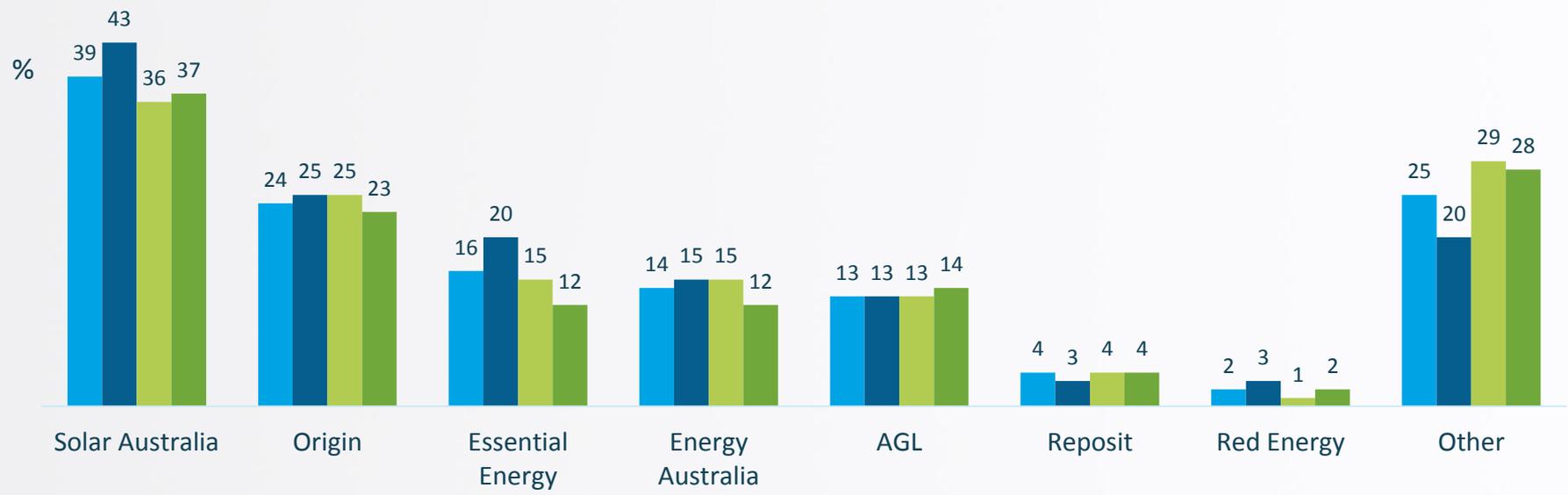
Q7. Firstly we'd like to ask you some questions about who you might call for different issues that might arise in and around your house and neighbourhood. You can select as many companies as you like... Seeking advice regarding using less electricity

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Solar Australia, Origin and 'other' companies were the most likely to be contacted about battery storage

Contact if enquiring about obtaining battery storage

■ Total ■ North Coast ■ Northern ■ Southern



Q7. Firstly we'd like to ask you some questions about who you might call for different issues that might arise in and around your house and neighbourhood. You can select as many companies as you like... Enquiring about obtaining battery storage

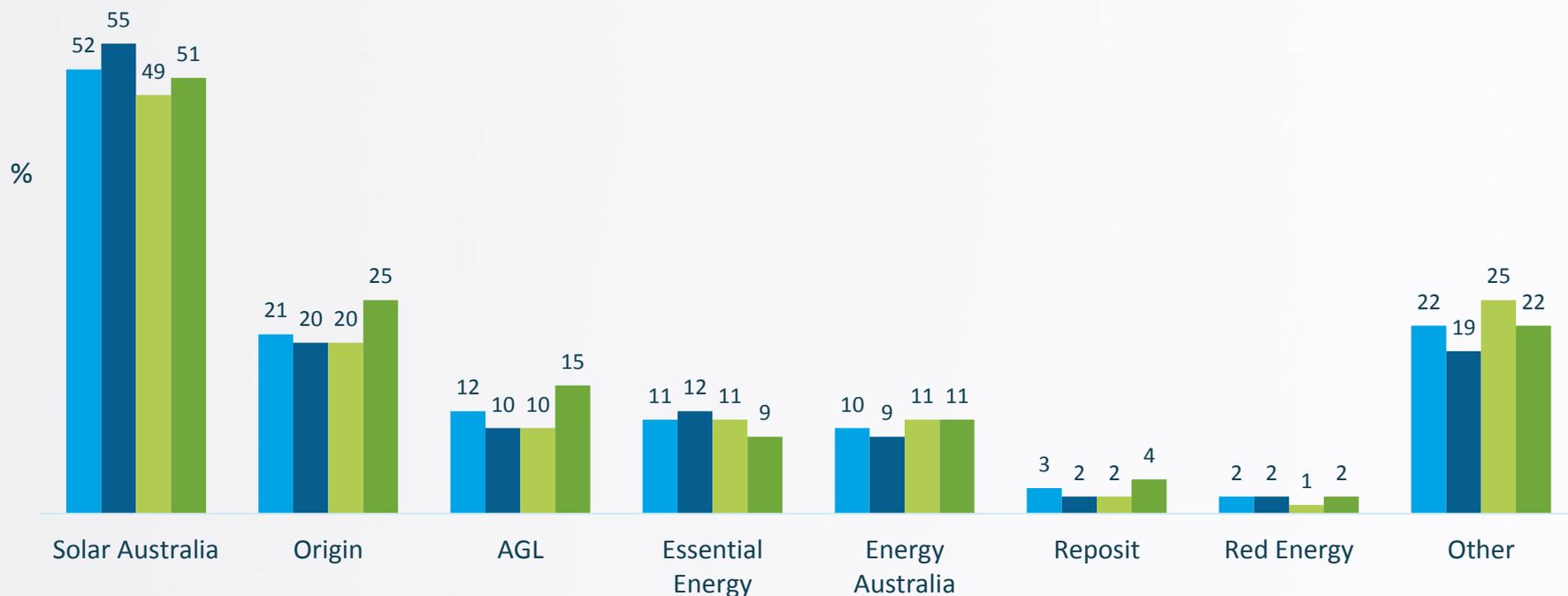
Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).



Solar Australia was the most likely to be contacted regarding solar panel installation

Contact if seeking advice on solar panel installation

■ Total ■ North Coast ■ Northern ■ Southern

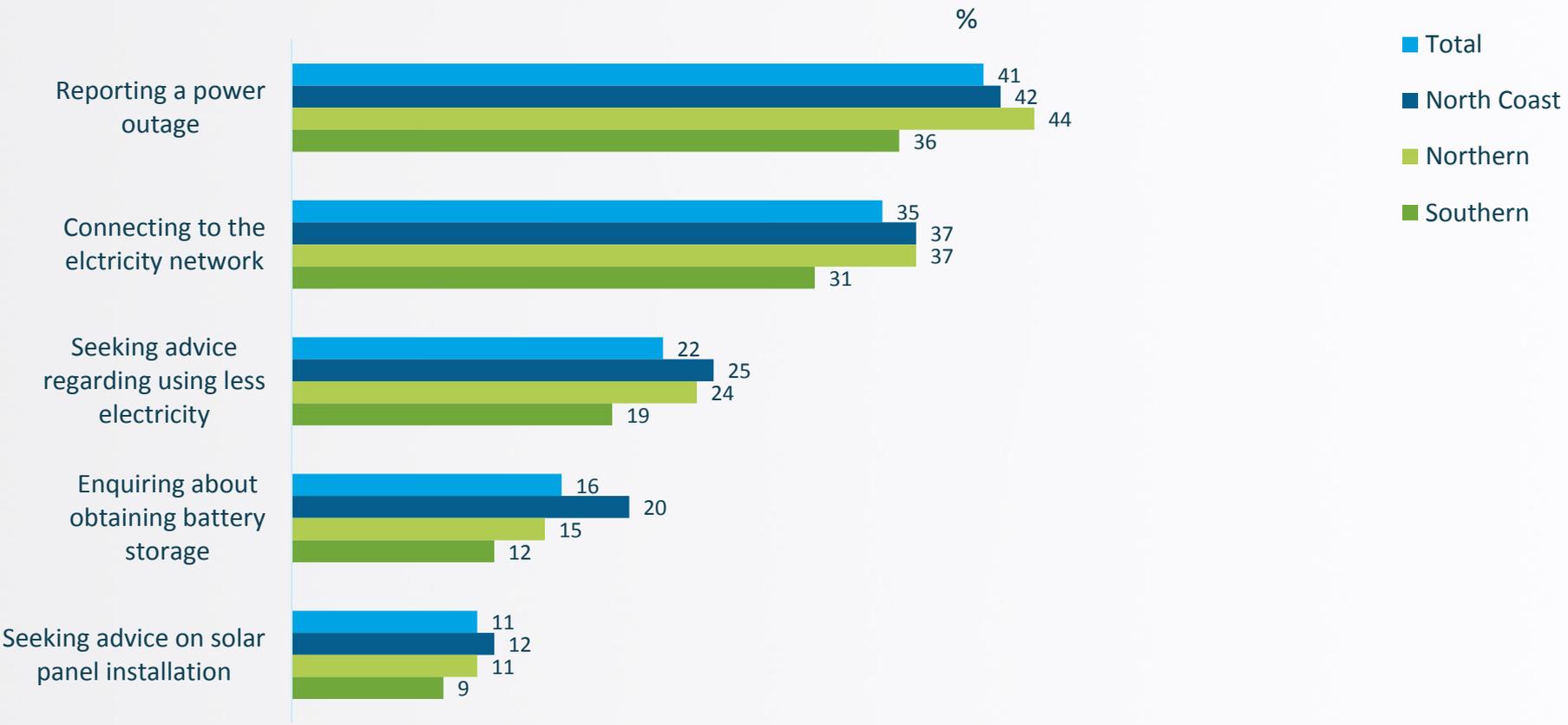


Q7. Firstly we'd like to ask you some questions about who you might call for different issues that might arise in and around your house and neighbourhood. You can select as many companies as you like... Seeking advice on solar panel installation

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Of the aspects presented, EE was most likely to be contacted to report an outage or connect to the network

SUMMARY – Reasons for contacting Essential Energy



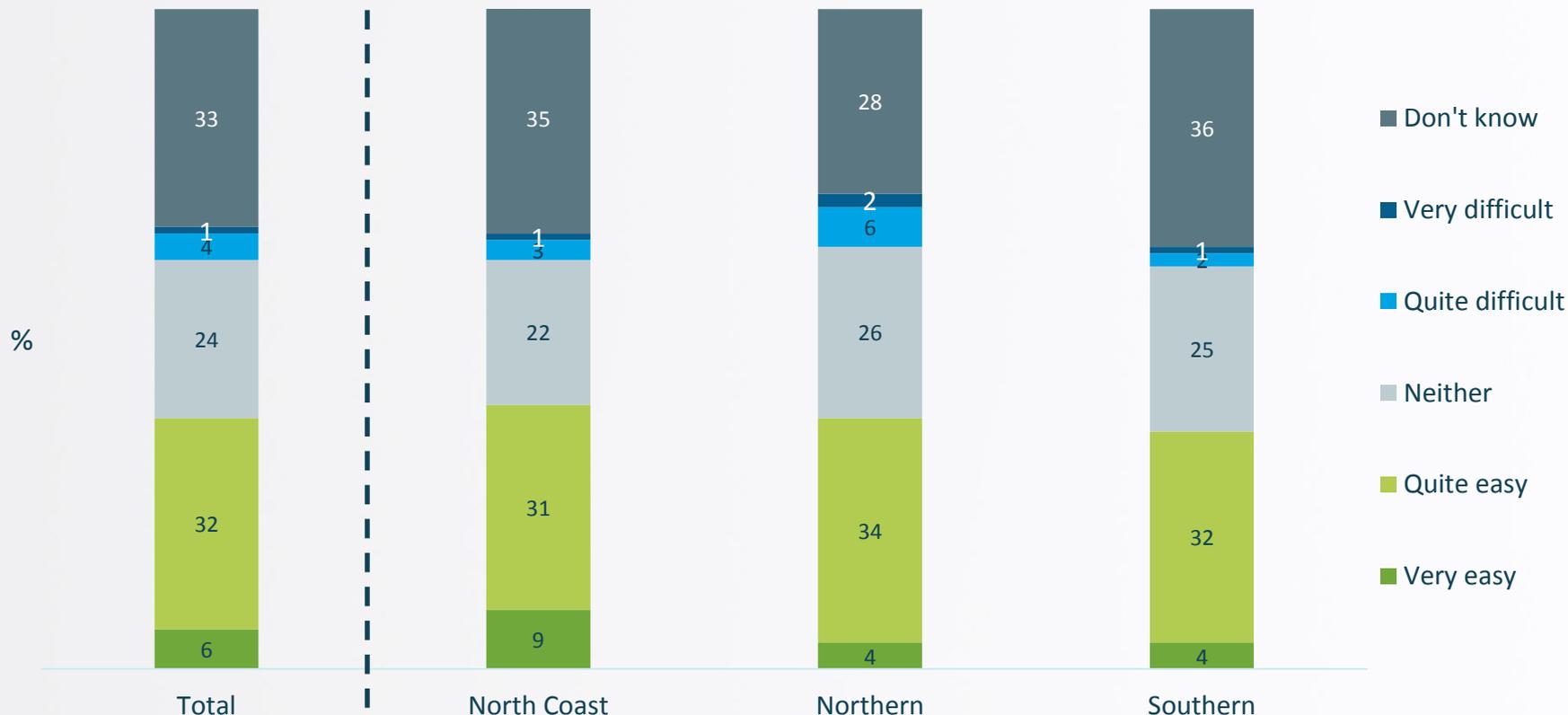
Q7. Firstly we'd like to ask you some questions about who you might call for different issues that might arise in and around your house and neighbourhood. You can select as many companies as you like...

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245)..



The majority of consumers were undecided or didn't know how easy it is to communicate with EE

Ease of communicating with Essential Energy



Q11. How easy do you feel it is to communicate with Essential Energy?

Base: Respondents who had heard of Essential Energy (n=669); North Coast (n=251); Northern (n=217); Southern (n=201).

Emails or letters were preferred for consultation

Preferred method of contact – Consultation on future plans and pricing structures

■ Total ■ North Coast ■ Northern ■ Southern

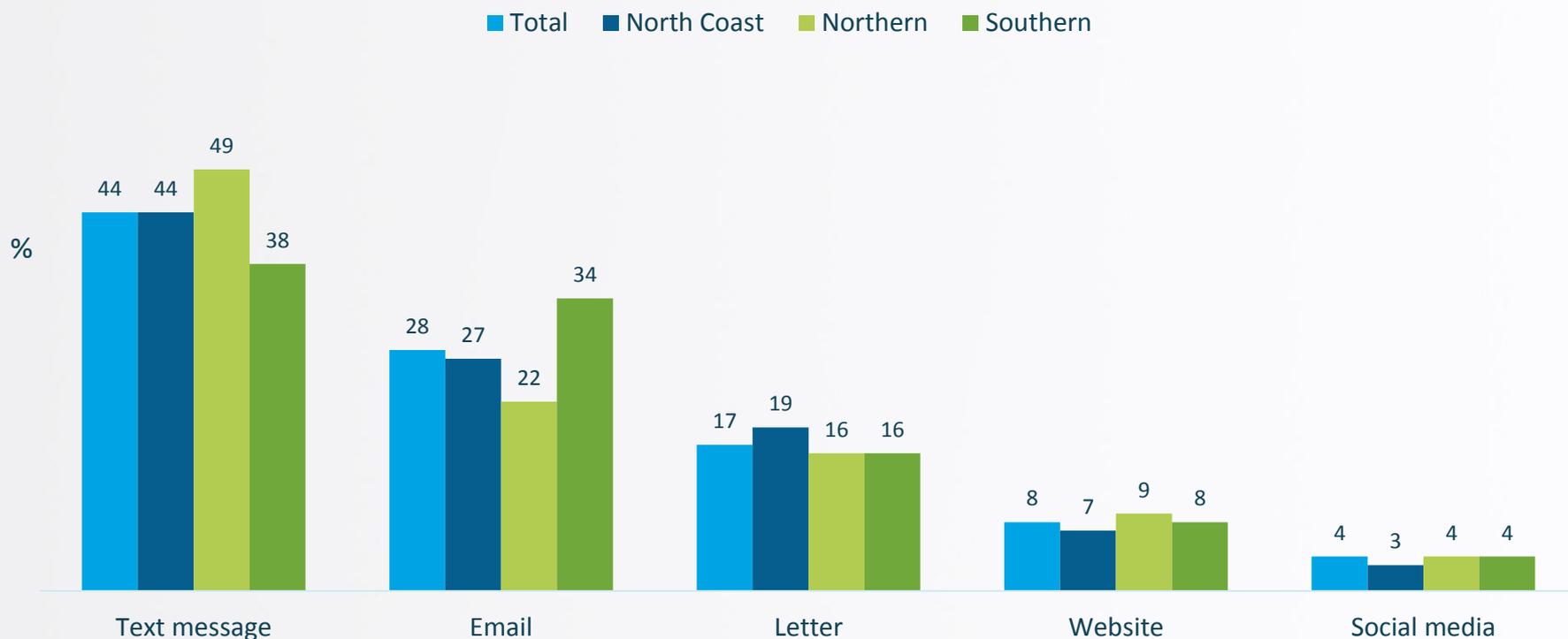


Q12. Which method of communication would you prefer Essential Energy to use to communicate with you about the following? Consultation on future plans and pricing structures.

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Text messages or emails were preferred for notification about unexpected power outages

Preferred method of contact – Unexpected power outages

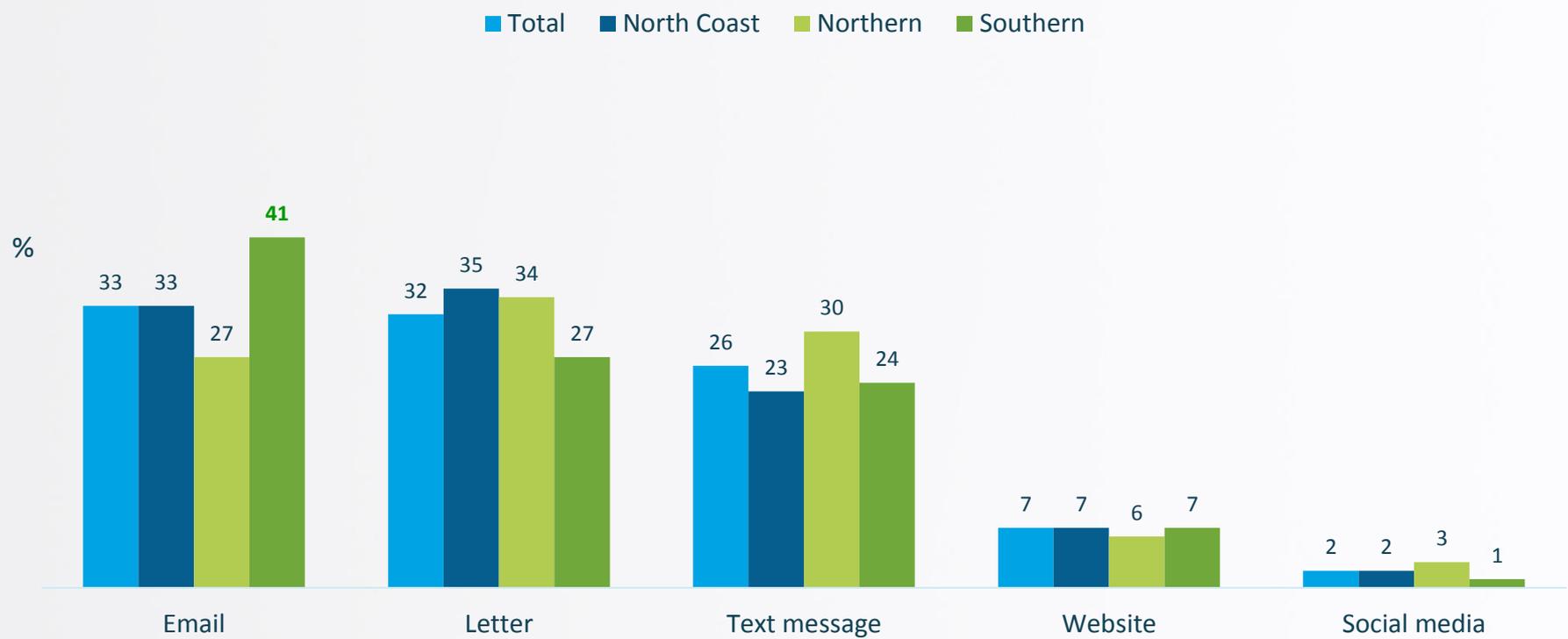


Q12. Which method of communication would you prefer Essential Energy to use to communicate with you about the following? Unexpected power outages..

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

There was no one preferred method of contact for notification about planned power outages

Preferred method of contact – Planned power outages



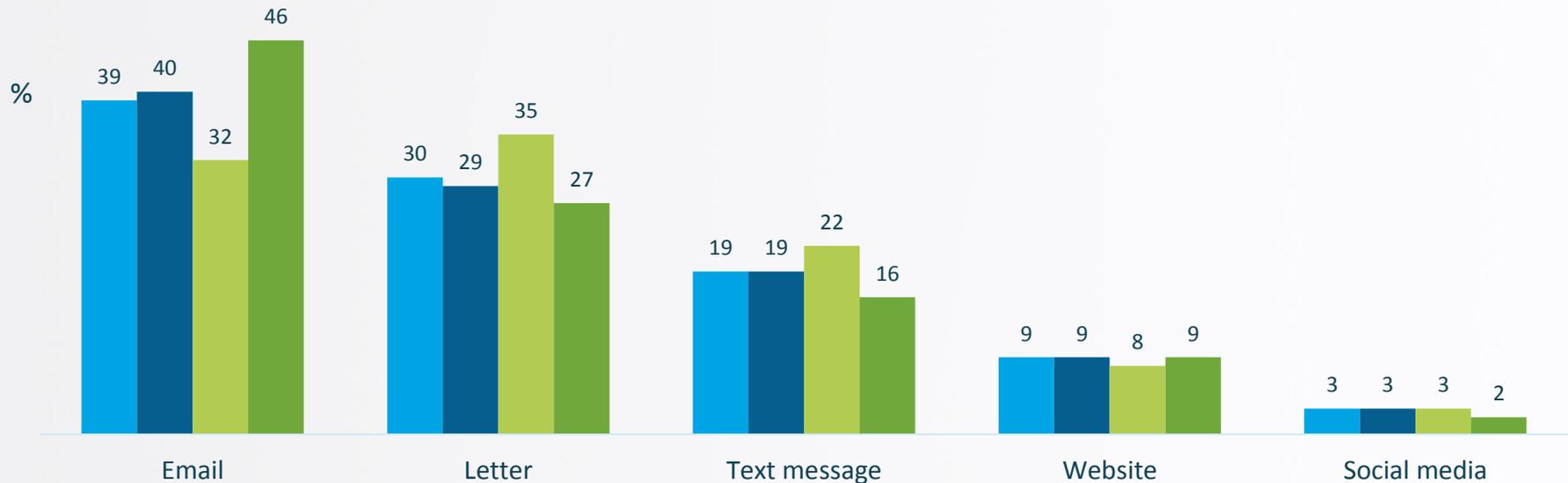
Q12. Which method of communication would you prefer Essential Energy to use to communicate with you about the following? Planned power outages..

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

For 'other' subjects email or letters were preferred

Preferred method of contact – Other

■ Total ■ North Coast ■ Northern ■ Southern



Q12. Which method of communication would you prefer Essential Energy to use to communicate with you about the following? Other e.g. meter changes, streetlights, damaged pole or electrical equipment, tree trimming

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Most consumers think their electricity is reliable

Reliability of electricity supply

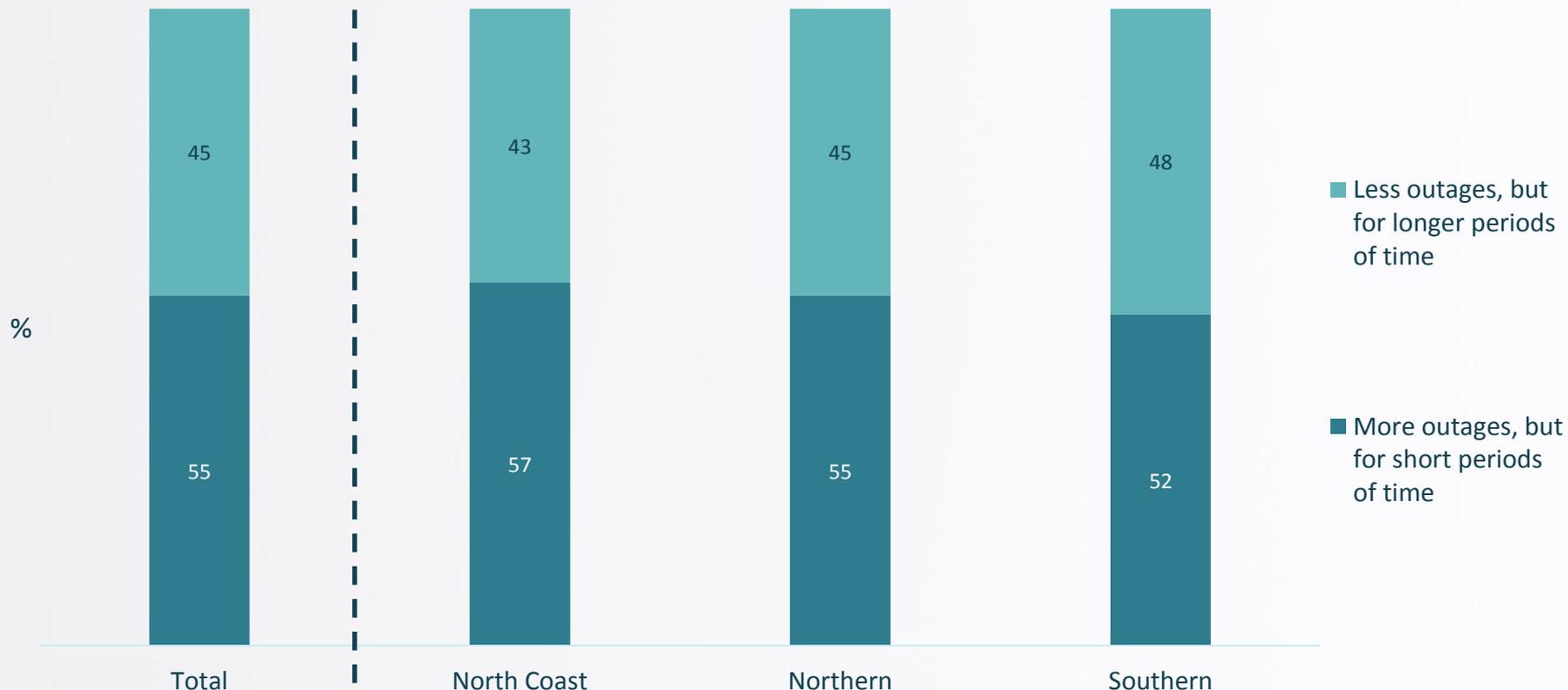


Q13. How reliable do you think your electricity supply is?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

There was a fairly even split trading off the frequency and duration of outages

Frequency vs duration outage trade-off



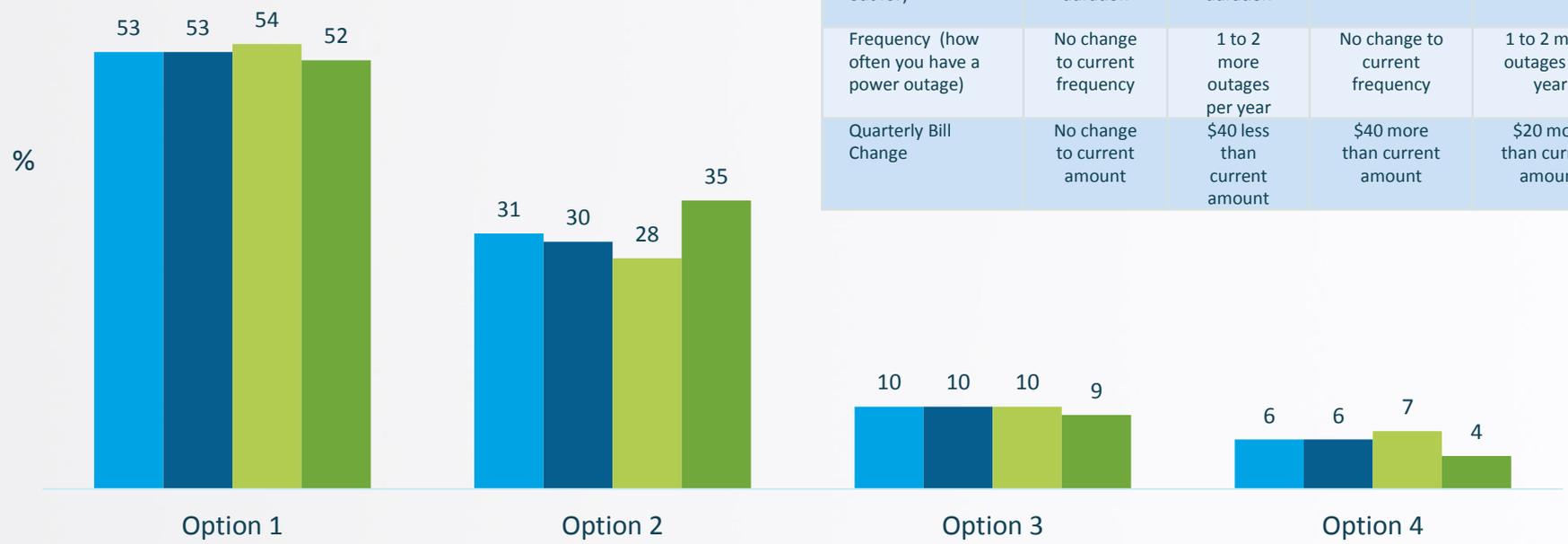
Q16. If you had to trade off frequency of outages against the length of time you were without power, which would you choose?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Option 1 (status quo) was the most popular of the trade offs

Preferred outage trade-off scenario

■ Total ■ North Coast ■ Northern ■ Southern



OUTAGE TRAITS	Option 1	Option 2	Option 3	Option 4
Duration (how long your power is out for)	No change to current duration	No change to current duration	50% shorter duration	50% shorter duration
Frequency (how often you have a power outage)	No change to current frequency	1 to 2 more outages per year	No change to current frequency	1 to 2 more outages per year
Quarterly Bill Change	No change to current amount	\$40 less than current amount	\$40 more than current amount	\$20 more than current amount

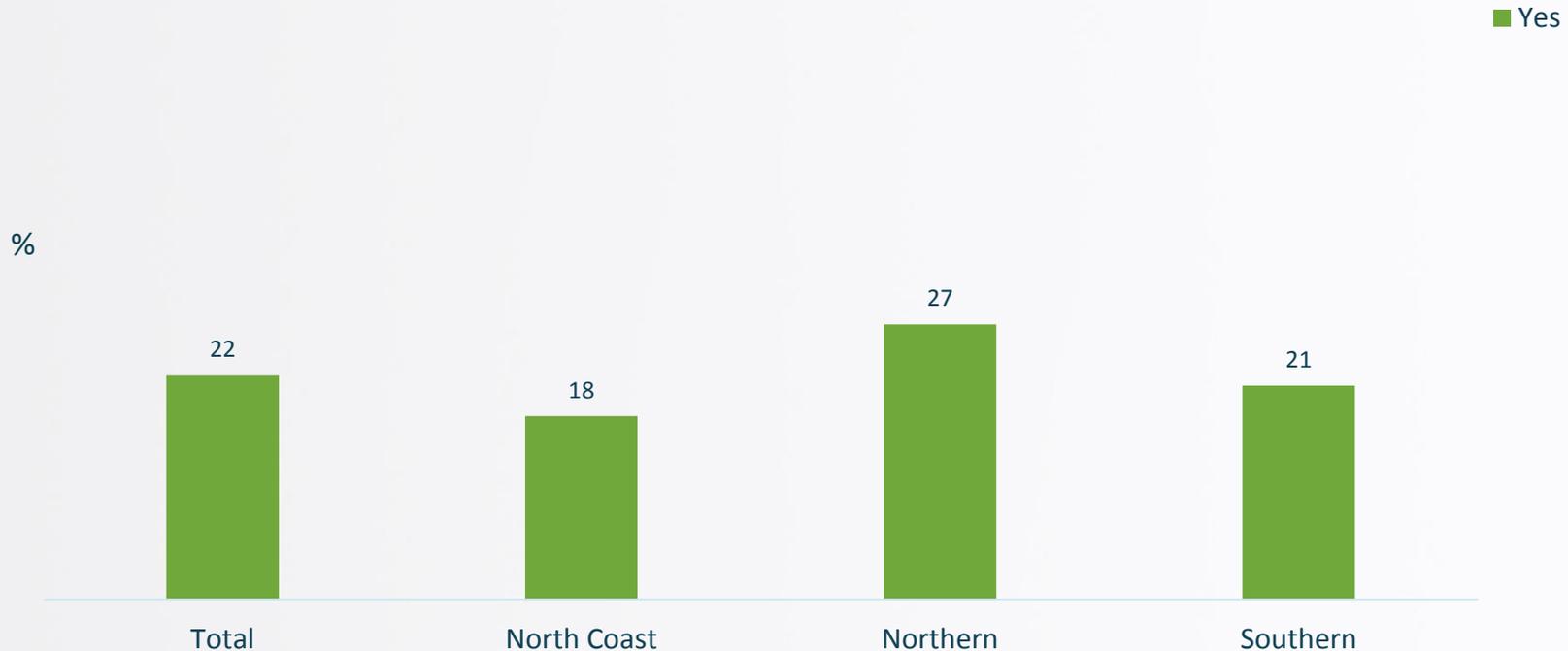
Q14. Power outages happen from time to time for a variety of reasons. Thinking about the following future scenarios, which would be your preferred scenario?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).



Few consumers were willing to pay to avoid an unplanned outage

Willingness to pay to avoid unplanned outages

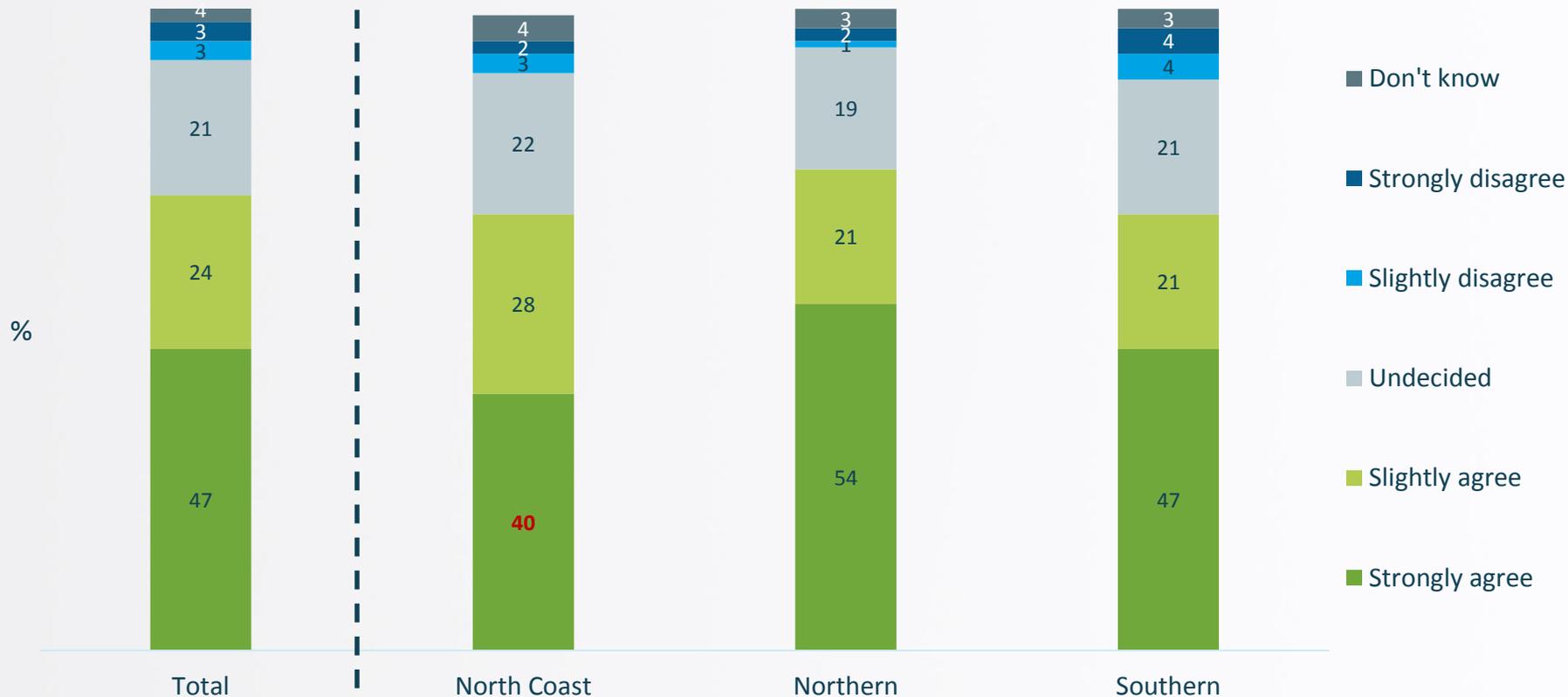


Q15. Would you be willing to pay \$20 more per quarter for improvements which would avoid a 24 hour unplanned outage every 10 years?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Most consumers agreed that EE should focus on its worst served customers

Focus on the remote/worse served customers

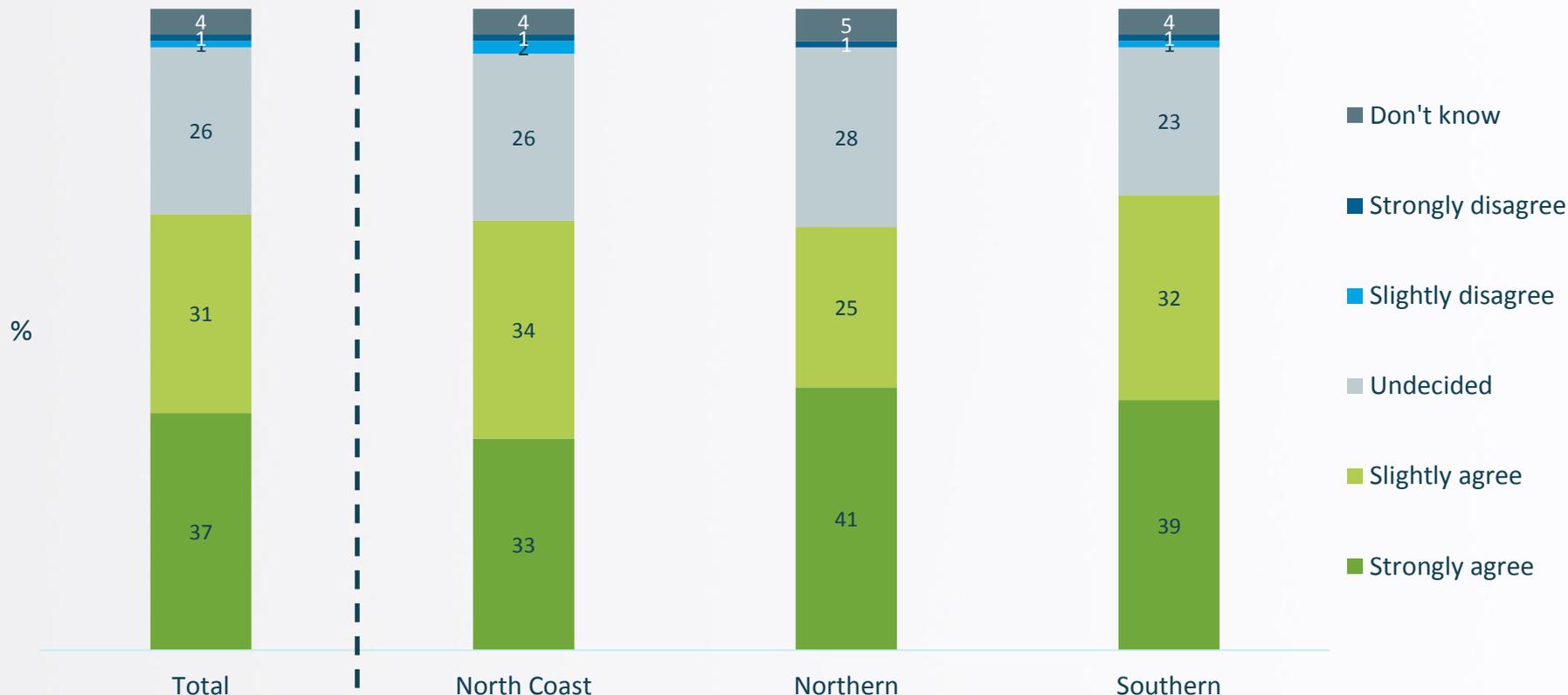


Q17. To what extent do you agree or disagree that Essential Energy should invest more to ensure remote/worst served customers receive the same levels of service as other more populated parts of the network?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Most consumers were in favour of researching microgrids to service those in remote locations

Invest in researching microgrids

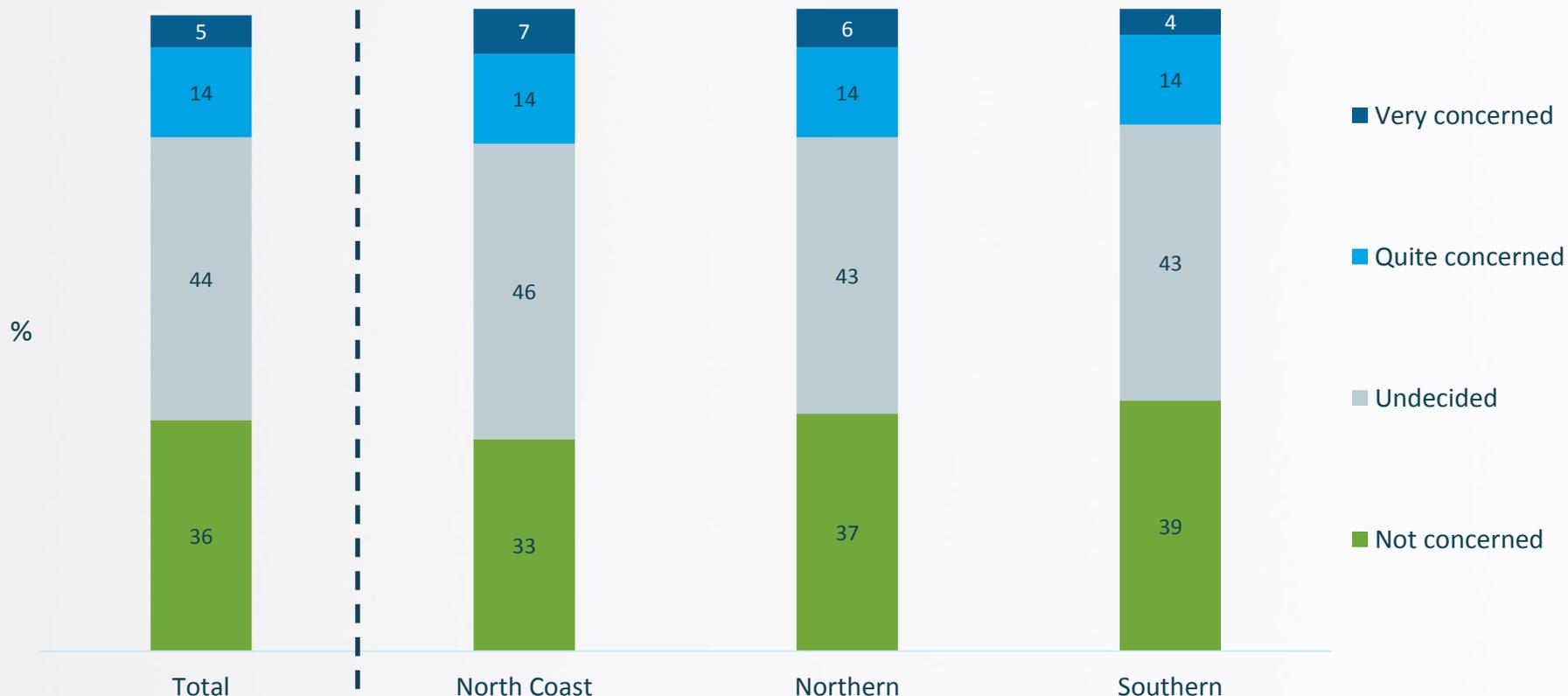


Q18. To what extent do you agree or disagree that Essential Energy should invest in researching this [microgrids for remote locations] as an option?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Although few consumers were concerned about switching to locally sourced generation, almost half were undecided

Concern over changing the source of power



Q19. If Essential Energy could guarantee the maintenance of reliability and price levels, to what extent would you be concerned if they changed the source of generation for your connection?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Of those who were concerned, the most common reasons were reliability and price

Why would you be concerned?	Total (n=141) %	North Coast (n=54) %	Northern (n=48) %	Southern (n=39) %
I would be concerned about reliability/outages/more outages	26	26	24	29
Renewable power is expensive/I'm worried about the cost	13	23	6	8
I don't know enough about this to feel confident/don't know where the power is coming from	9	8	9	11
I don't like or want renewable power/don't believe it is sufficient / coal still works better	7	7	8	6
I don't believe this would work/it's a con	4	2	4	8
Electricity supply should be better and cheaper in this day and age/not worse	4	6	2	4
They cant guarantee supply/will send us back to the Stone Age	3	2	4	4
This would cost too much to set up	3	2	2	6
It doesn't seem fair NFI^	2	-	6	-
There hasn't been proper consultation	2	2	3	-
Other	6	1	18	-
Don't know/not answered	26	26	23	30

Q20. Why would you be concerned?

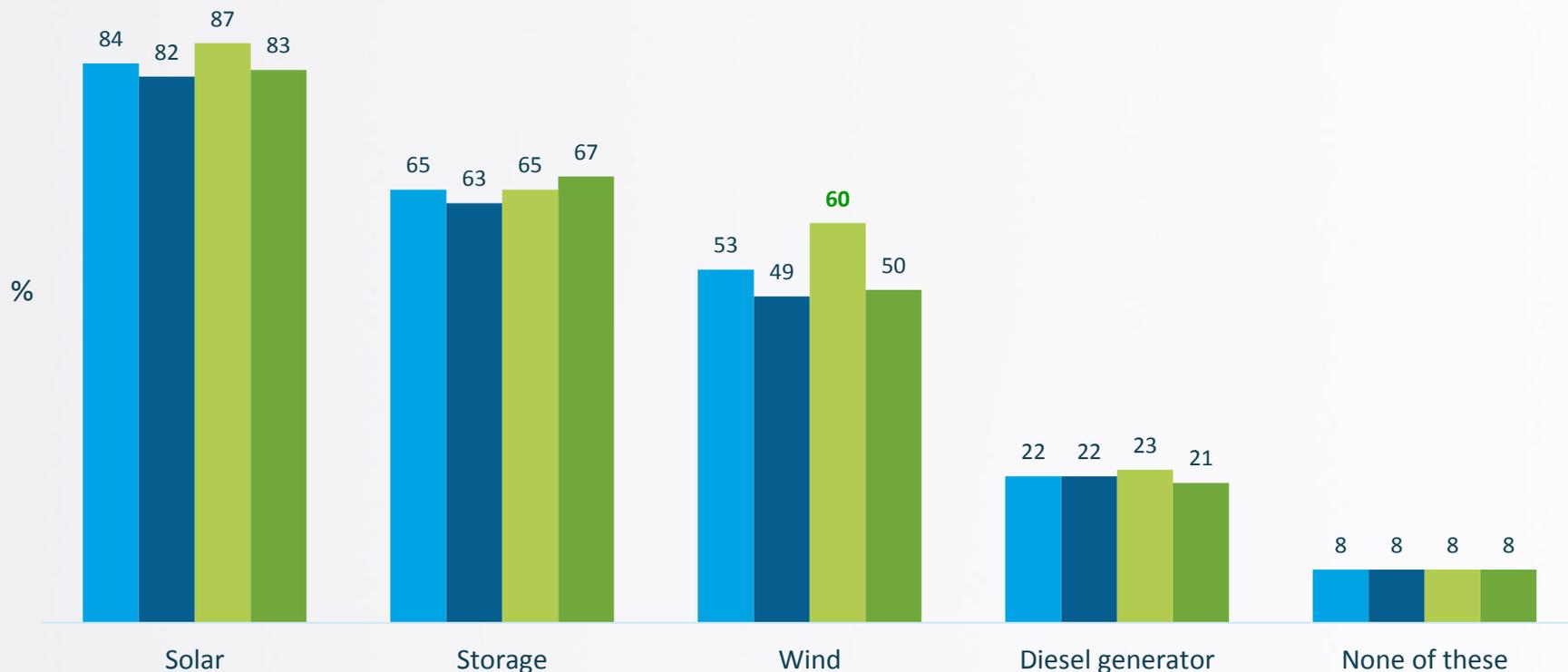
Base: Respondents who were "very concerned" or "quite concerned" for Q19 (n=141)

^ NFI = no further information

Solar, storage and wind had the highest levels of support for use within a microgrid

Support for technologies within a microgrid

■ Total ■ North Coast ■ Northern ■ Southern

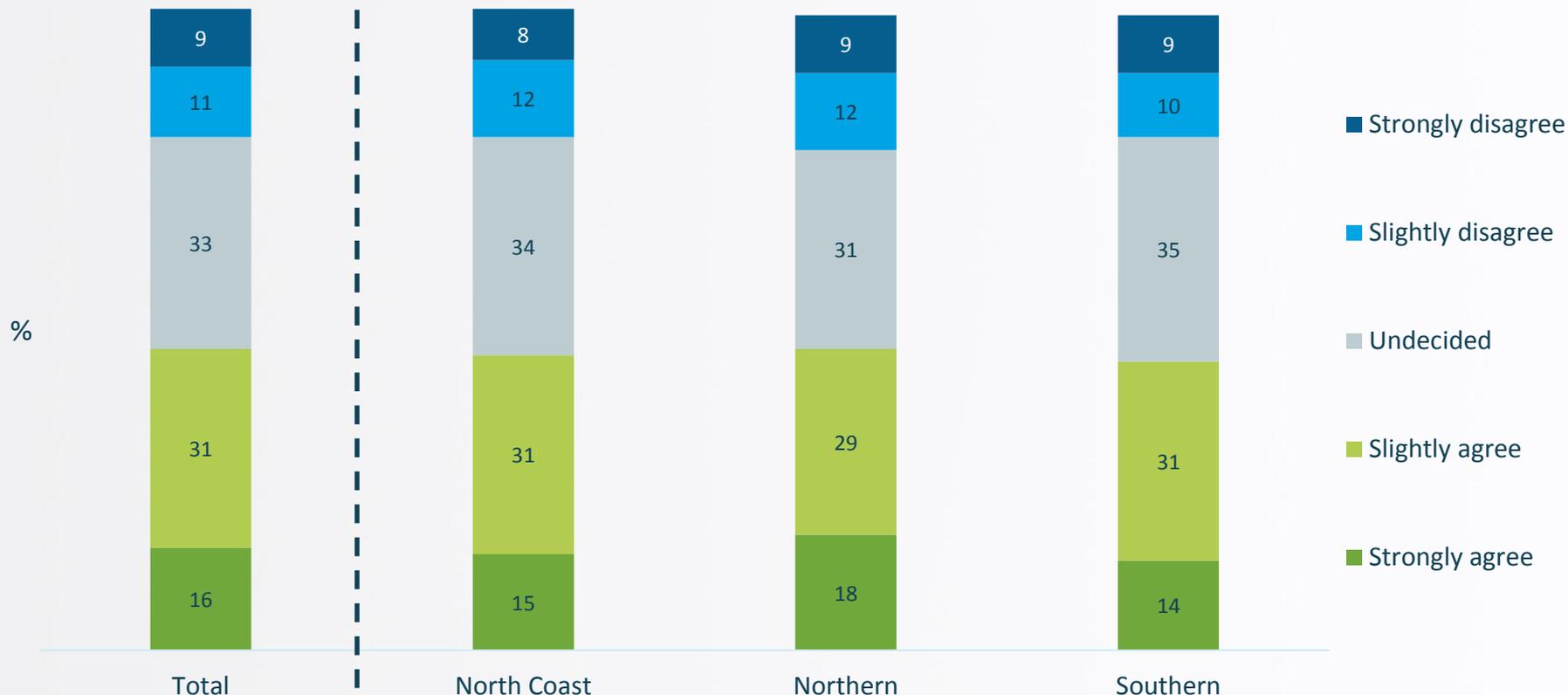


Q21. There are some possible technologies they could introduce in your area to develop a microgrid. Please select the mix of technologies you would be happy to see in a microgrid that was developed in your area? You may select as many or as few as you like.

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Most consumers were either in favour or undecided about having a backup diesel generator

Support for using a diesel generator as a backup

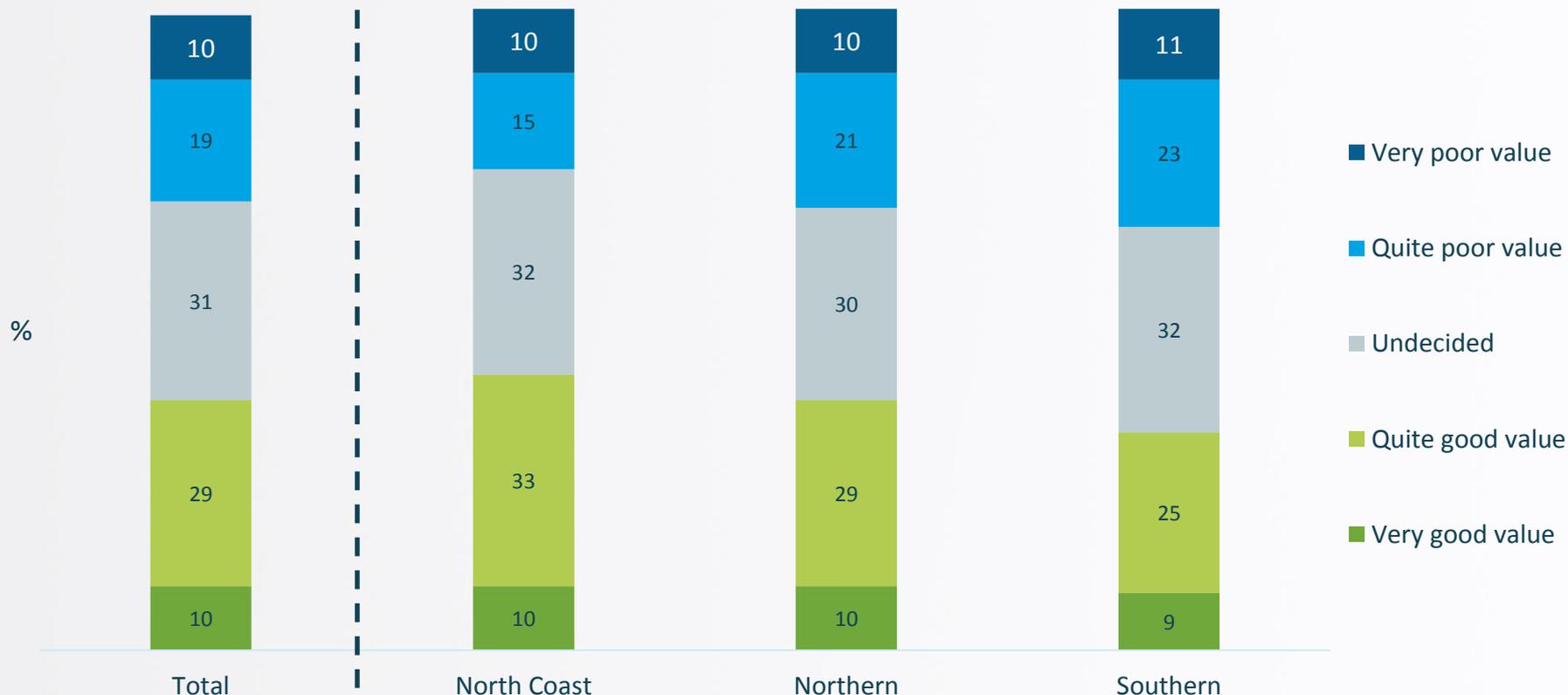


Q22. If a microgrid was being developed in your area, to what extent would you agree to a diesel generator being used to supplement battery storage, during outages and peak load, if it was the cost effective option? Would you ...

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Satisfaction was mixed for the value for money of consumer's electricity supply

Satisfaction with value for money

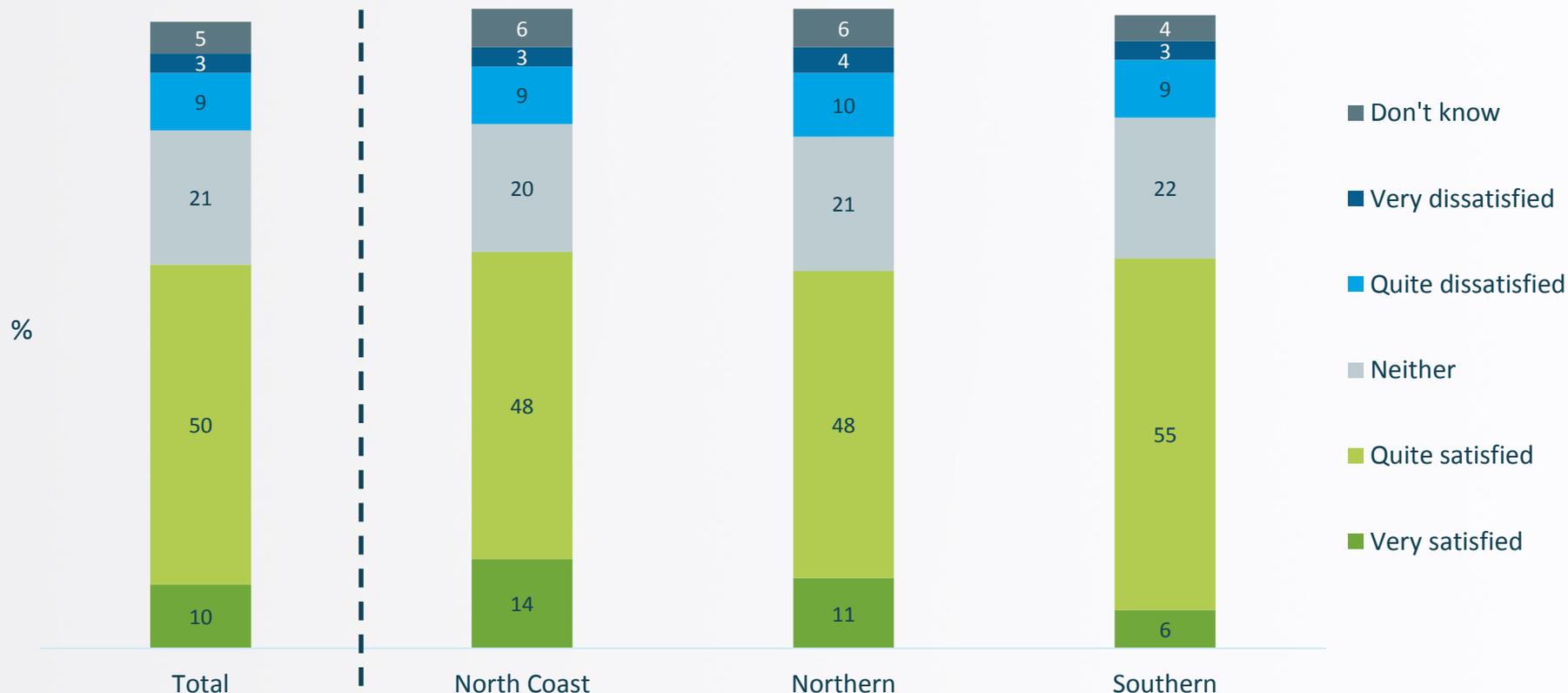


Q8. How would you rate your electricity supply in terms of value for money?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

The majority of consumers were satisfied with the information on their electricity bill

Satisfaction with information on electricity bill



Q24. How satisfied are you with the amount of information provided on your electricity bill, i.e. breakdown for services?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Of those dissatisfied, almost half would like information on peak vs non-peak usage times

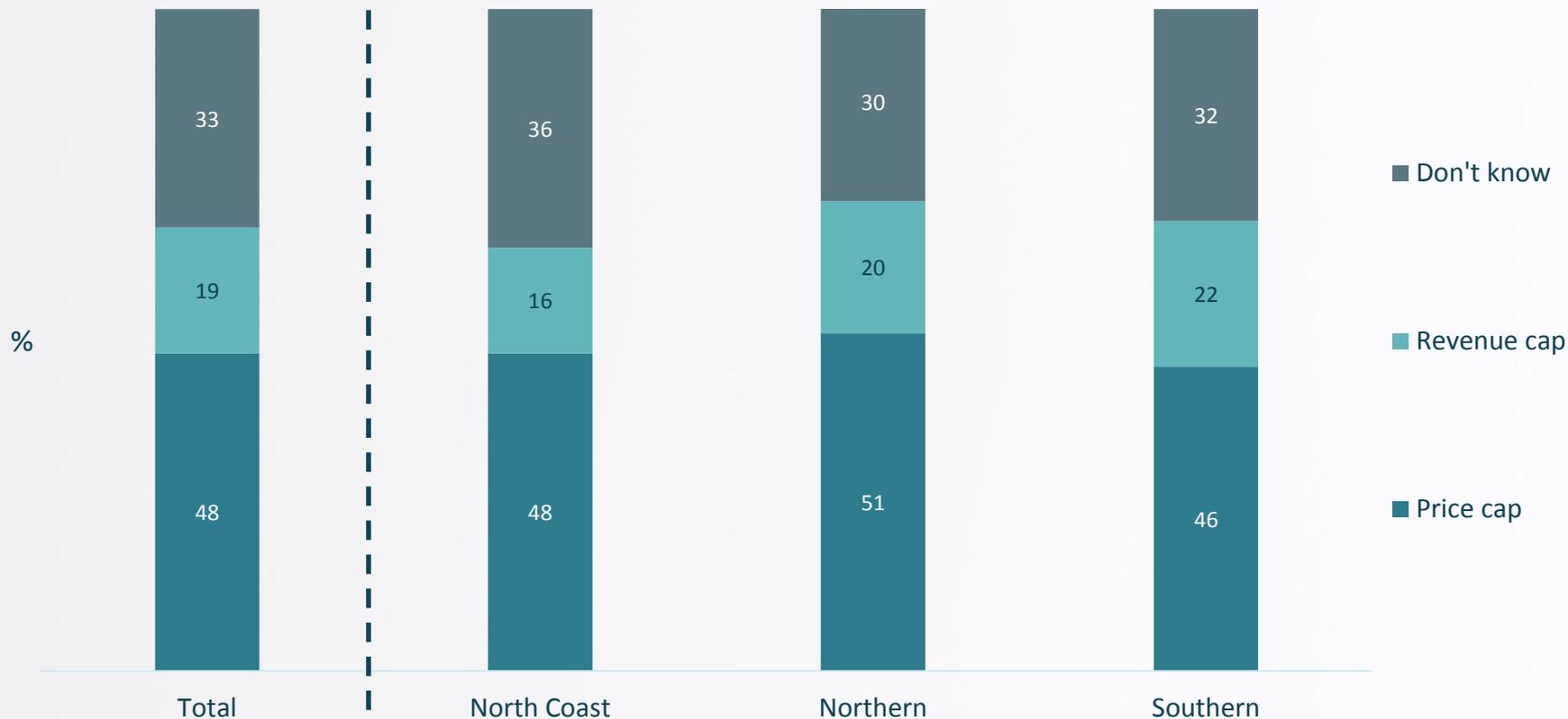
What information would you like on your bill?	Total (n=98) %	North Coast (n=32) %	Northern (n=35) %	Southern (n=31) %
Information on how changing the time of day you use electricity could reduce your bill	42	34	34	61
Retail costs shown separately	20	23	22	14
Distribution costs shown separately	11	14	12	8
Generation costs shown separately	9	11	10	5
All of the above	11	12	15	5
Usage info in a clear format that I can understand	5	3	4	8
Other	2	4	3	-

Q25. What information would you like to see?

Base: Respondents who were "very dissatisfied" or "quite dissatisfied" for Q24 (n=98)

Almost half of consumers would prefer a price cap, but one third were undecided

Preferred pricing models

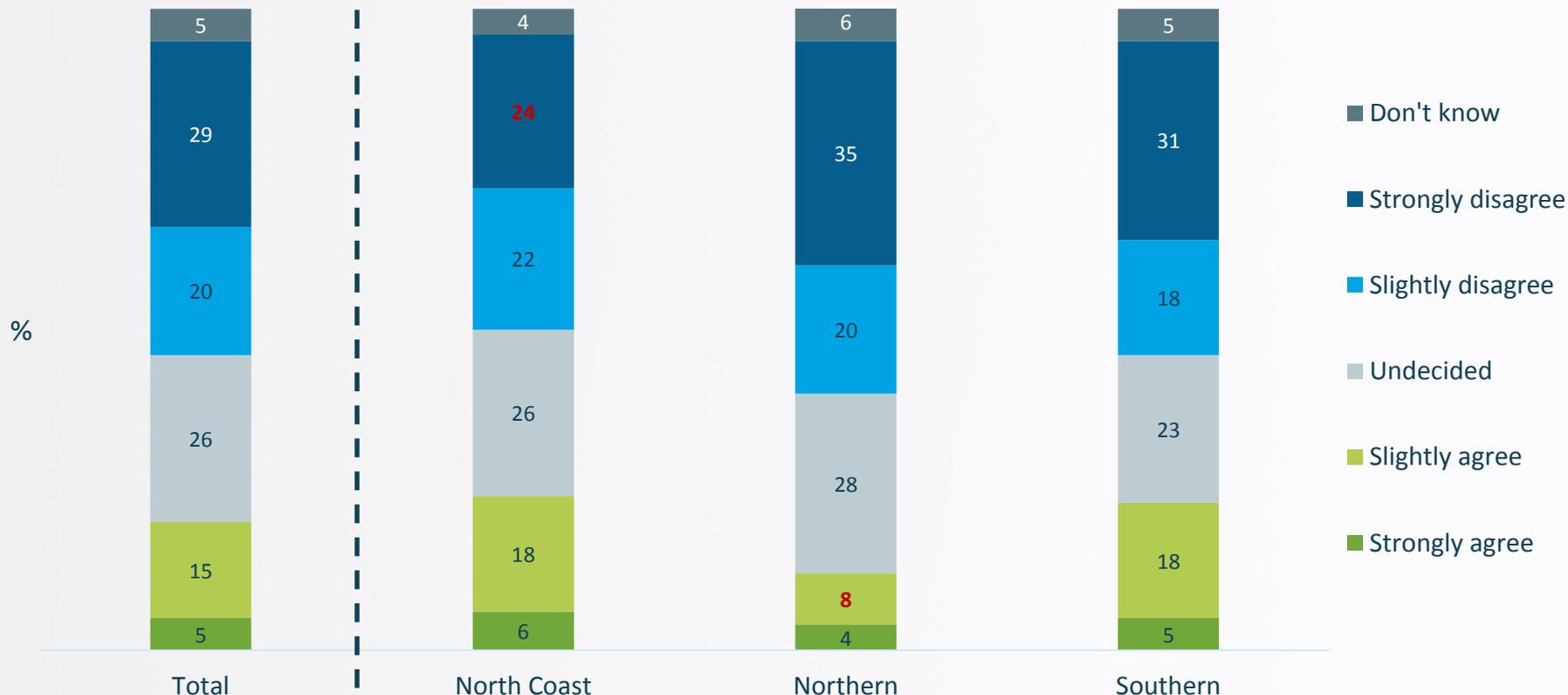


Q23. Which would you prefer your electricity supply to operate under?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Half of consumers were against location based pricing, though one third were undecided/DK

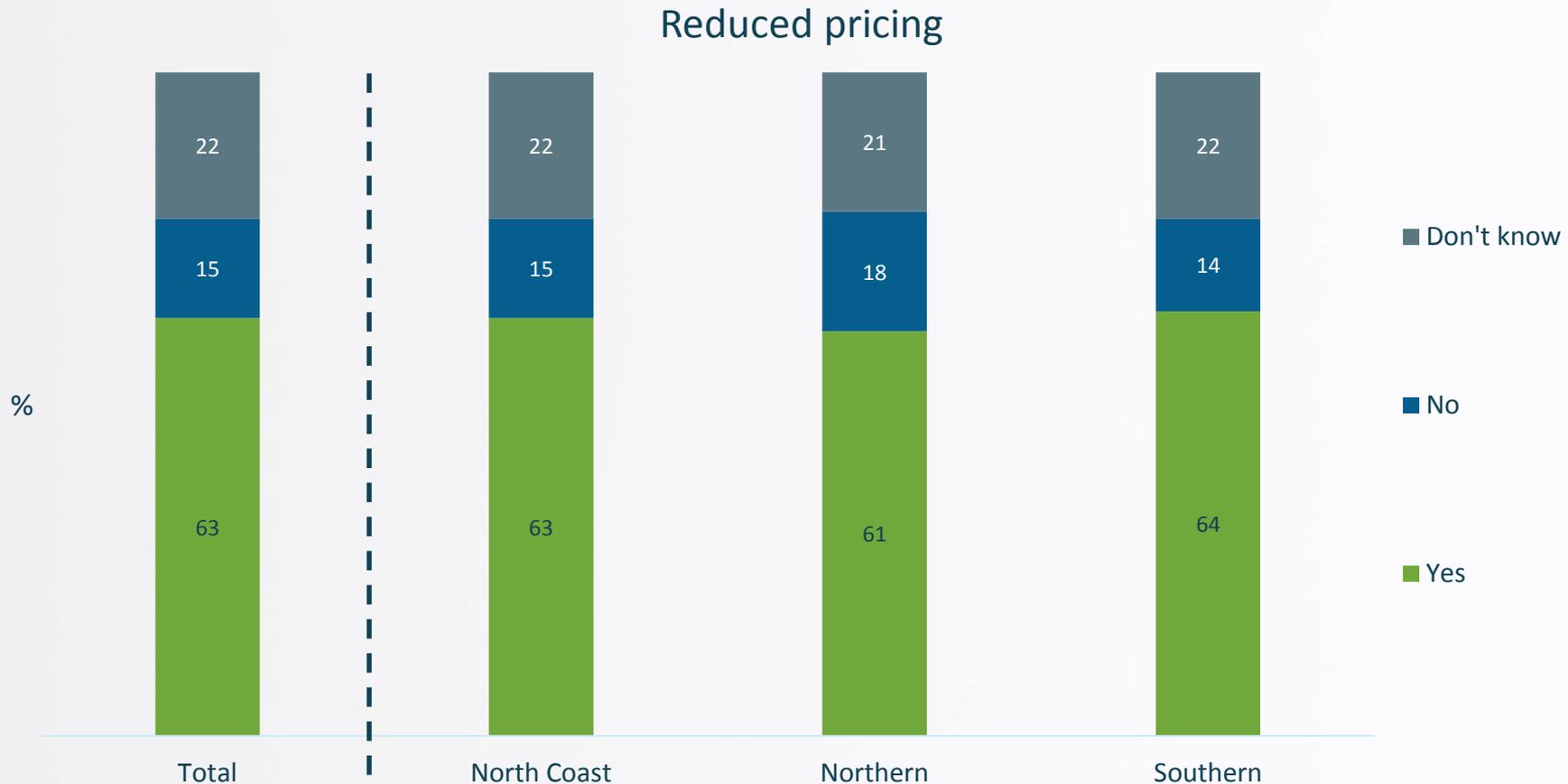
Location based pricing



Q26. To what extent do you agree or disagree that Essential Energy should charge customers different amounts based on whether it costs more to supply their electricity e.g. customers in rural locations?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

The majority of consumers were in favour of reduced pricing for specific customer groups



Q27. Essential Energy does not currently provide any reduced pricing for specific customer groups. Should Essential Energy consider providing discounted pricing to some customers?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Of those in favour of reduced pricing, most identified vulnerable customers e.g. pensioners

Which customers should get reduced pricing?	Total (n=493) %	North Coast (n=176) %	Northern (n=162) %	Southern (n=155) %
Pensioners / elderly	36	29	45	34
Financially vulnerable customers	32	33	30	34
Medically vulnerable	32	30	33	33
Remote location customers	20	18	21	20
All of the above	9	11	6	8
Don't know / not answered	8	9	5	8
Everyone / me	6	7	4	6
Farmers	3	2	3	4
Those who are feeding back into the grid	3	2	1	5
Hospitals / nursing homes / emergency services	2	1	5	1
Long term / loyal customers	2	3	2	1
Specific industries NFI [^]	2	1	2	3
Other	10	10	11	11

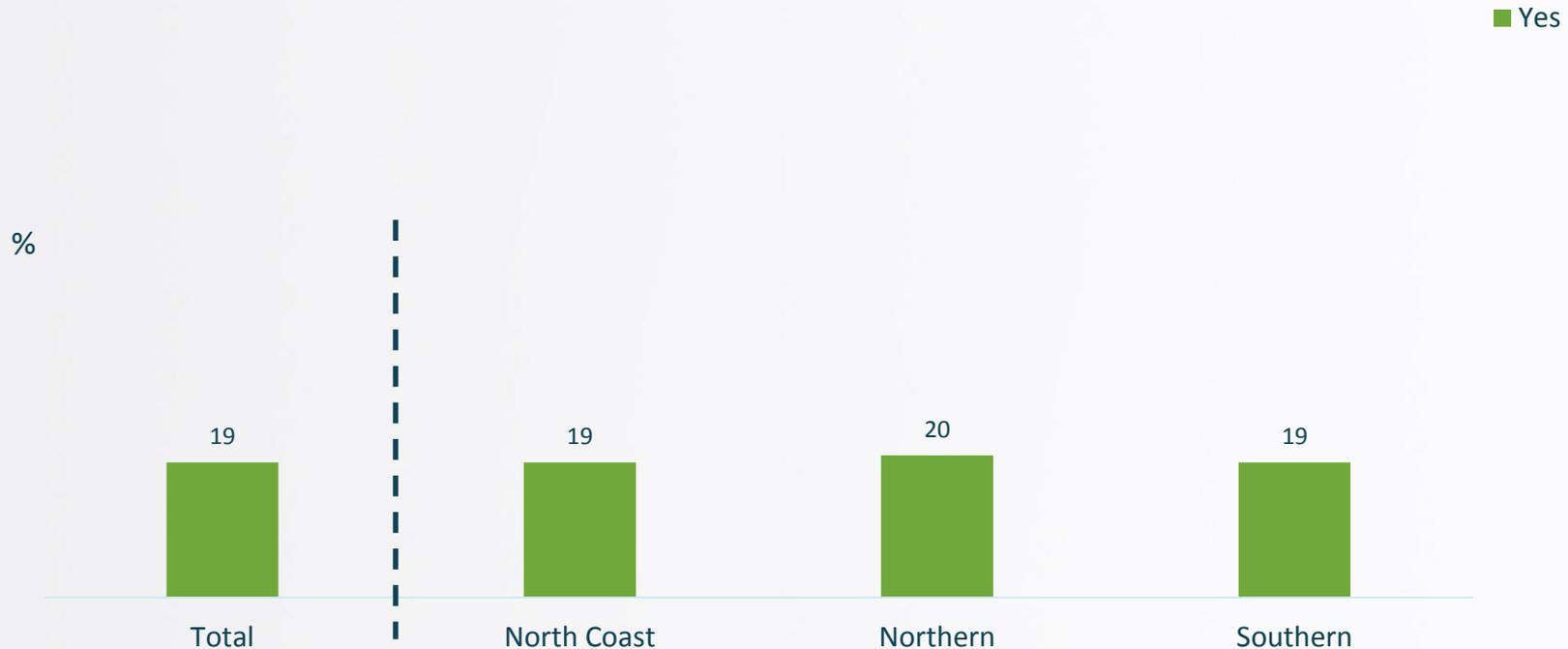
Q28. Which customers (e.g. financially vulnerable, medically vulnerable, specific industries, those living in remote locations) do you think should get reduced pricing)?

Base: Respondents who said "yes" to Q27 (n=493)

[^] NFI = no further information

Most consumers were happy with EE's current engagement efforts

Proportion who think further engagement is needed



Q29. Is there anything else you feel we should be doing to engage with our customers and stakeholders?

Base: All respondents (n=786); North Coast (n=280); Northern (n=261); Southern (n=245).

Of those who thought that more could be done, some mentioned high prices while others wanted further communication with customers

What else should essential energy be doing?	Total (n=148) %	North Coast (n=50) %	Northern (n=51) %	Southern (n=47) %
Stop overcharging / reduce the price	17	18	12	22
Talk with your customers / get out and about / listen / hold meetings	14	18	15	8
Keeping us informed/up to date on the plans	8	12	5	6
Explain things thoroughly / be honest / don't fob people off or talk like wankers	7	4	7	10
Put yourselves on TV / have more media coverage	5	4	6	4
Look into alternative energy / keep up with technology	4	2	5	6
Promote consultation / let people know how to get info and make comments	4	2	6	3
Do a mass mailout / postal survey	4	-	4	8
Give better pricing for solar being fed back to the grid	4	3	5	2
Fix the problems / reduce outages	3	3	-	5
Make the usage info on bills easier to understand	2	-	4	2
Other	14	12	23	6
Don't know / nothing	25	30	21	23

Q30. What else should Essential Energy be doing?

Base: Respondents who said "yes" to Q27 (n=148)